CORE LABORATORIES N V
Form 4
July 25, 2012

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
KEARNEY MICHAEL C

(Last) (First) (Middle)

339 KNIPP FOREST

(Street)

HOUSTON, TX 77024

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CORE LABORATORIES N V [CLB]

3. Date of Earliest Transaction (Month/Day/Year)
07/23/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	07/23/2012		M		2,314	A	$ 0	14,336	D	
Common Shares	07/23/2012		F		2	D	$ 114.45	14,334	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. D S (I
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Performance Shares	$ 0	07/23/2012		M			2,314	(1)	(1)	Common Shares	2,314	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KEARNEY MICHAEL C 339 KNIPP FOREST HOUSTON, TX 77024	X			

Signatures

/s/ Mark Elvig, Attorney-in-Fact	07/25/2012
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The Restricted Performance Shares fully vested based on the Company's return on equity exceeding the seventy-fifth (75th) percentile for OSX members for the period that began on July 15, 2009 and ended on July 15, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. right"> New Trailers (units) Commercial Trailer Products 53,550 43,800 9,750 22.3 Diversified Products 3,550 3,050 500 16.4 Retail 3,450 3,000 450 15.0 Eliminations (3,200) (3,050) Total 57,350 46,800 Trailers (units) Commercial Trailer Products 3,150 4,300 (1,150) (26.7)Diversified Products 150 100 50 50.0 Retail 1,550 1,300 250 19.2 Eliminations - - Total 4,850 5,700 (850) (14.9)

Commercial Trailer Products segment sales, prior to the elimination of intersegment sales, were $1,294.2 million in 2014, an increase of $211.7 million, or 19.6%, compared to 2013. The increase in sales was primarily due to a 22.3%

increase in new trailer shipments, as approximately 53,550 trailers were shipped in 2014 compared to 43,800 trailers shipped in the prior year. The increase in trailer shipments was partially offset by product mix, which lowered average selling prices by 0.7% as compared to the prior year. Used trailer sales decreased $9.9 million, or 29.5%, compared to the previous year with approximately 1,150 fewer used trailer shipments in 2014 as compared to the prior year, which was primarily due to decreased availability of product because of fewer fleet trade packages received.

Diversified Products segment sales, prior to the elimination of intersegment sales, were $466.2 million in 2014, up $7.6 million, or 1.6%, compared to 2013. New trailer sales increased $22.6 million, or 11.0%, due to a 16.4% increase in new trailer shipments, as approximately 3,550 trailers were shipped in 2014 compared to 3,050 trailers shipped in the prior year, partially offset by a 5.2% decrease in average selling prices. Parts and service sales decreased $5.5 million, or 5.2%, compared to the prior year due to decreased demand. Equipment and other sales decreased $10.9 million, or 7.5%, due to the timing of shipments and customer acceptance for our non-trailer truck mounted equipment and other engineered products. Used trailer sales increased $1.4 million, or 45.4%, as a result of an increase in used trailer shipments and a favorable customer and product mix, which increased used trailer average selling prices by 15.2% as compared to 2013.

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Retail segment sales, prior to the elimination of intersegment sales, were $190.1 million in 2014, up $8.6 million, or 4.7%, compared to 2013. New trailer sales increased $6.0 million, or 7.3%, as approximately 450 more trailers were shipped in 2014 as compared to 2013. As compared to the prior year, new trailer average selling prices decreased 5.8%, primarily due to customer and product mix. Used trailer sales increased $4.1 million, or 32.2%, primarily due to an increase in volume demand, as approximately 250 more used trailers were shipped in 2014 as compared to 2013. Parts and service sales were down $0.9 million, or 1.1%, and equipment and other sales were down $0.7 million, or 16.6%, as compared to the prior year.

Cost of Sales

Cost of sales in 2014 was $1,630.7 million, an increase of $210.1 million, or 14.8%, as compared to 2013. As a percentage of net sales, cost of sales was 87.5% in 2014, compared to 86.8% for 2013.

Commercial Trailer Products segment cost of sales, as detailed in the following table, was $1,189.4 million in 2014, an increase of $191.1 million, or 19.1%, compared to 2013. As a percentage of net sales, cost of sales was 91.9% in 2014 compared to 92.2% in 2013.

	Year Ended December 31,					
Commercial Trailer Products Segment	2014			2013		
(prior to elimination of intersegment sales)	(dollars in thousands)					
		% of Net Sales			% of Net Sales	
Material Costs	$932,233	72.0	%	$779,736	72.0	%
Other Manufacturing Costs	257,131	19.9	%	218,538	20.2	%
	$1,189,364	91.9	%	$998,274	92.2	%

Cost of sales is comprised of material costs, a variable expense, and other manufacturing costs, comprised of both fixed and variable expenses, including direct and indirect labor, outbound freight, and overhead expenses. Commercial Trailer Products material costs, prior to the elimination of intersegment sales, were 72.0% of net sales in 2014 consistent with 2013. Material costs as a percentage of sales in 2014 were in line with 2013 as raw material, commodity, and component costs remained relatively consistent as compared to the prior year. Other manufacturing costs increased $38.6 million in the current year as compared to the prior year, resulting from increased labor and other variable costs related to increases in new trailer production volumes. As a percentage of sales, other manufacturing costs decreased from 20.2% in 2013 to 19.9% in 2014 due to increased leverage of fixed costs from higher production.

Diversified Products segment cost of sales, prior to the elimination of intersegment sales, was $362.9 million in 2014, an increase of $12.8 million, or 3.7%, compared to 2013. The increase in cost of sales was primarily driven by an increase in sales volume due to stronger tank trailer demand as compared to the prior year. Cost of sales as a percentage of net sales, prior to the elimination of intersegment sales, was 77.8% in 2014 compared to 76.3% in 2013. The 150 basis point increase as a percentage of net sales was primarily the result of lower average selling prices for tank trailers due to customer and product mix as compared to the prior year, as well as competitive market pressures within certain product lines of both the composite product and tank trailer businesses.

Retail segment cost of sales, prior to the elimination of intersegment sales, was $169.4 million in 2014, an increase of $8.0 million, or 5.0%, compared to 2013. As a percentage of net sales, cost of sales was 89.1% in 2014 compared to 88.9% in 2013. Cost of sales as a percentage of net sales increased slightly compared to the prior year as a result of product mix as a higher percentage of sales were from the lower margin new and used trailer product lines as compared to the prior year.

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Gross Profit

Gross profit was $232.6 million in 2014, an improvement of $17.5 million, or 8.1% from 2013. Gross profit as a percentage of sales was 12.5% in 2014 as compared to 13.2% in 2013. Gross profit by segment was as follows (in thousands):

	Year Ended December 31,		Change	
	2014	2013	$	%
Gross Profit by Segment:				
Commercial Trailer Products	$104,800	$84,182	$20,618	24.5
Diversified Products	103,379	108,627	(5,248)	(4.8)
Retail	20,728	20,122	606	3.0
Corporate and Eliminations	3,727	2,192	1,535	
Total	$232,634	$215,123	$17,511	8.1

Commercial Trailer Products segment gross profit, prior to the elimination of intersegment sales, was $104.8 million in 2014 compared to $84.2 million in the prior year. Gross profit, as a percentage of net sales, was 8.1% in 2014 as compared to 7.8% in 2013. The increase in gross profit and profit margin as compared to the prior year was primarily driven by the increase in new trailer volumes and improved pricing partially offset by customer and product mix.

Diversified Products segment gross profit, prior to the elimination of intersegment sales, was $103.4 million in 2014 compared to $108.6 million in 2013. Gross profit, as a percentage of net sales, was 22.2% in 2014 compared to 23.7% in 2013. The decreases in gross profit and gross profit as a percentage of net sales, as compared to the prior year, are primarily due to product mix and competitive market pressures within certain product lines.

Retail segment gross profit, prior to the elimination of intersegment sales, was $20.7 million in 2014 compared to $20.1 million in 2013. Gross profit, as a percentage of net sales, in 2014 was 10.9% compared to 11.1% in 2013. Gross profit margin was relatively consistent with the prior year as increased demand was offset by product mix and an increase in costs to support growth initiatives.

General and Administrative Expenses

General and administrative expenses in 2014 increased $3.0 million, or 5.1%, from the prior year as a result of a $4.5 million increase in salaries and employee related costs, including employee incentive programs, partially offset by decreases in bad debt expense of $0.7 million, due to certain uncollectable accounts receivable identified in the prior year, as well as lower outside professional services of $0.4 million. General and administrative expenses, as a percentage of net sales, were 3.3% in 2014 compared to 3.6% in 2013.

Selling Expenses

Selling expenses were $26.7 million in 2014, a decrease of $3.9 million, or 12.8%, compared to the prior year, primarily due to a $3.2 million decrease in salaries and employee related costs, including employee incentive programs, and lower advertising and promotional costs. As a percentage of net sales, selling expenses were 1.4% in 2014 compared to 1.9% in the prior year.

Amortization of Intangibles

Amortization of intangibles was $21.9 million in 2014 compared to $21.8 million in 2013. Amortization of intangibles for both periods primarily includes amortization expense recognized for intangible assets recorded from the acquisition of Walker in May 2012 and certain assets of Beall in February 2013.

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Other Income (Expense)

Interest expense in 2014 totaled $22.2 million compared to $26.3 million in the prior year. Interest expense for both periods primarily related to interest and non-cash accretion charges on our Convertible Senior Notes and Term Loan Credit Agreement. The decrease from 2013 was due to lower outstanding loan commitments through voluntary debt payments made over the previous year, as well as reduced interest rates achieved as a result of repricing the Term Loan Credit Agreement in April 2013.

Other, net in 2014 included a loss on early extinguishment of debt of $1.0 million, representing the write-off of debt issuance costs recognized on $40 million of voluntary principal payments made on our Term Loan Credit agreement during 2014, as well as a $0.6 million loss on the transition of three of our Retail branch locations to independent dealer facilities.

Income Taxes

We recognized income tax expense of $37.5 million in 2014 compared to $31.1 million in the prior year. The effective tax rate for 2014 was 38.1%, which differs from the U.S. Federal statutory rate of 35% primarily due to the impact of state and local taxes offset by the benefit of the U.S. Internal Revenue Code domestic manufacturing deduction. Cash taxes paid in 2014 were approximately $20.2 million.

Liquidity and Capital Resources

Capital Structure

Our capital structure is comprised of a mix of debt and equity. As of December 31, 2015, our debt to equity ratio was approximately 0.7:1.0. Our long-term objective is to generate operating cash flows sufficient to support the growth within our businesses and increase shareholder value. This objective will be achieved through a balanced capital allocation strategy of maintaining strong liquidity, deleveraging our balance sheet, investing in the business, both organically and strategically, and returning capital to our shareholders. Throughout 2015 and in keeping to this balanced approach, several actions were taken to demonstrate our commitment to prudently manage the overall financial risk and increase shareholder value through a return of capital. These actions include completing our $60 million share repurchase program previously approved by our Board of Directors in December 2014 as well as executing agreements with existing holders of our outstanding Convertible Senior Notes due 2018 to purchase $54.2

million in principal (see *"Debt Agreements and Related Amendments"* section below for details). Furthermore, in early 2016 our Board of Directors authorized the repurchase of up to an additional $100 million of our common stock over a two-year period. For 2016, we expect to continue our commitment to fund our working capital requirements and capital expenditures while also returning capital to our shareholders and deleveraging our balance sheet through cash flows from operations as well as available borrowings under our existing Credit Agreement.

Debt Agreements and Related Amendments

Convertible Senior Notes

In April 2012, we issued Convertible Senior Notes due 2018 (the "Notes") with an aggregate principal amount of $150 million in a public offering. The Notes bear interest at the rate of 3.375% per annum from the date of issuance, payable semi-annually on May 1 and November 1. The Notes are senior unsecured obligations and rank equally with our existing and future senior unsecured debt.

The Notes are convertible by their holders into cash, shares of our common stock or any combination thereof at our election, at an initial conversion rate of 85.4372 shares of our common stock per $1,000 in principal amount of Notes, which is equal to an initial conversion price of approximately $11.70 per share, only under the following circumstances: (A) before November 1, 2017 (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2012 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price (as defined in the indenture for the Notes) per $1,000 principal amount of Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; and (3) upon the occurrence of specified corporate events as described in the indenture for the Notes; and (B) at any time on or after November 1, 2017 until the close of business on the second business day immediately preceding the maturity date. As of December 31, 2015, the Notes were not convertible based on the above criteria. If the Notes outstanding at December 31, 2015 were converted as of December 31, 2015, the if-converted value would exceed the principal amount by approximately $1 million.

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It is our intent to settle conversions through a net share settlement, which involves repayment of cash for the principal portion and delivery of shares of common stock for the excess of the conversion value over the principal portion. We used the net proceeds of $145.1 million from the sale of the Notes to fund a portion of the purchase price of the acquisition of Walker Group Holdings ("Walker") in May 2012.

We account separately for the liability and equity components of the Notes in accordance with authoritative guidance for convertible debt instruments that may be settled in cash upon conversion. The guidance required the carrying amount of the liability component to be estimated by measuring the fair value of a similar liability that does not have an associated conversion feature. We determined that senior, unsecured corporate bonds traded on the market represent a similar liability to the Notes without the conversion option. Based on market data available for publicly traded, senior, unsecured corporate bonds issued by companies in the same industry and with similar maturity, we estimated the implied interest rate of the Notes to be 7.0%, assuming no conversion option. Assumptions used in the estimate represent what market participants would use in pricing the liability component, including market interest rates, credit standing, and yield curves, all of which are defined as Level 2 observable inputs. The estimated implied interest rate was applied to the Notes, which resulted in a fair value of the liability component of $123.8 million upon issuance, calculated as the present value of implied future payments based on the $150.0 million aggregate principal amount. The $21.7 million difference between the cash proceeds before offering expenses of $145.5 million and the estimated fair value of the liability component was recorded in additional paid-in capital. The discount on the liability portion of the Notes is being amortized over the life of the Notes using the effective interest rate method.

On December 15, 2015, we executed agreements with existing holders of the Notes to repurchase $54.2 million in principal of such Notes, of which $19.0 million was acquired in December for $22.9 million, excluding accrued interest. The remaining $35.2 million in principal of the Notes are scheduled to be repurchased in early 2016 and, therefore, is classified as current on our Consolidated Balance Sheet as of December 31, 2015. During 2015, in connection with the repurchase of a portion of the Notes, we recognized a loss on debt extinguishment of $0.2 million which was included in *Other, net* on our Consolidated Statement of Operations.

Revolving Credit Agreement

On June 4, 2015, we entered into a Joinder and First Amendment to Amended and Restated Credit Agreement, First Amendment to Amended and Restated Security Agreement and First Amendment to Amended and Restated Guaranty Agreement (the "Amendment") by and among us, certain of our subsidiaries designated as Loan Parties (as defined in the Amendment), Wells Fargo Capital Finance, LLC, as arranger and administrative agent (the "Agent"), and the other Lenders party thereto. The Amendment amends, among other things, the Amended and Restated Credit Agreement (as amended, the "Credit Agreement"), dated as of May 8, 2012, among us, certain of our subsidiaries from time to time party thereto (together with us, the "Borrowers"), the several lenders from time to time party thereto, and the Agent and provides for, among other things, a five year, $175 million senior secured revolving credit facility (the "Credit Facility").

The Amendment, among other things (i) increases the total commitments under the Credit Facility from $150 million to $175 million, and (ii) extends the maturity date of the Credit Facility from May 8, 2017 to June 4, 2020, but provides for an accelerated maturity in the event our outstanding Notes are not converted, redeemed, repurchased or refinanced in full on or before the date that is 121 days prior to the maturity date thereof and we are not then maintaining, and continue to maintain until the Notes are converted, redeemed, repurchased or refinanced in full, (x) Liquidity of at least $125 million and (y) availability under the Credit Facility of at least $25 million. Liquidity, as defined in the Credit Agreement, reflects the difference between (i) the sum of (A) unrestricted cash and cash equivalents and (B) availability under the Credit Facility and (ii) the amount necessary to fully redeem the Notes.

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In addition, the Amendment (i) provides that borrowings under the Credit Facility will bear interest, at the Borrowers' election, at (x) LIBOR plus a margin ranging from 150 basis points to 200 basis points (in lieu of the previous range from 175 basis points to 225 basis points), or (y) a base rate plus a margin ranging from 50 basis points to 100 basis points (in lieu of the previous range from 75 basis points to 125 basis points), in each case, based upon the monthly average excess availability under the Credit Facility, (ii) provides that the monthly unused line fee shall be equal to 25 basis points (which amount was previously 37.5 basis points) times the average unused availability under the Credit Facility, (iii) provides that if availability under the Credit Facility is less than 12.5% (which threshold was previously 15%) of the total commitment under the Credit Facility or if there exists an event of default, amounts in any of the Borrowers' and the subsidiary guarantors' deposit accounts (other than certain excluded accounts) will be transferred daily into a blocked account held by the Agent and applied to reduce the outstanding amounts under the Credit Facility, (iv) provides that we will be required to maintain a minimum fixed charge coverage ratio of not less than 1.1 to 1.0 as of the end of any period of 12 fiscal months when excess availability under the Credit Facility is less than 10% (which threshold was previously 12.5%) of the total commitment under the Credit Facility and (v) amends certain negative covenants in the Credit Agreement.

The Credit Agreement is guaranteed by the Revolver Guarantors and is secured by (i) first priority security interests (subject only to customary permitted liens and certain other permitted liens) in substantially all personal property of the Borrowers and the Revolver Guarantors, consisting of accounts receivable, inventory, cash, deposit and securities accounts and any cash or other assets in such accounts and, to the extent evidencing or otherwise related to such property, all general intangibles, licenses, intercompany debt, letter of credit rights, commercial tort claims, chattel paper, instruments, supporting obligations, documents and payment intangibles (collectively, the "Revolver Priority Collateral"), and (ii) second-priority liens on and security interests in (subject only to the liens securing the Term Loan Credit Agreement customary permitted liens and certain other permitted liens) (A) equity interests of each direct subsidiary held by the Borrower and each Revolving Guarantor (subject to customary limitations in the case of the equity of foreign subsidiaries), and (B) substantially all other tangible and intangible assets of the Borrowers and the Revolving Guarantors including equipment, general intangibles, intercompany notes, insurance policies, investment property, intellectual property and material owned real property (in each case, except to the extent constituting Revolver Priority Collateral) (collectively, the "Term Priority Collateral"). The respective priorities of the security interests securing the Credit Agreement and the Term Loan Credit Agreement are governed by an Intercreditor Agreement between the Revolver Agent and the Term Agent (as defined below) (the "Intercreditor Agreement").

Subject to the terms of the Intercreditor Agreement, if the covenants under the Credit Agreement are breached, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding and foreclose on collateral. Other customary events of default in the Credit Agreement include, without limitation, failure to pay obligations when due, initiation of insolvency proceedings, defaults on certain other indebtedness, and the incurrence of certain judgments that are not stayed, satisfied, bonded or discharged within 30 days.

As of December 31, 2015, we were in compliance with all covenants of the Credit Agreement.

Term Loan Credit Agreement and Related Amendment

In May 2012 we entered into a credit agreement among us, the several lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, joint lead arranger and joint bookrunner (the “Term Agent”), and Wells Fargo Securities, LLC, as joint lead arranger and joint bookrunner (the “Term Loan Credit Agreement”), which initially provided, among other things, for a senior secured term loan facility of $300 million. Also in May 2012, certain of our subsidiaries (the “Term Guarantors”) entered into a general continuing guarantee of our obligations under the Term Loan Credit Agreement in favor of the Term Agent (the “Term Guarantee”).

In April 2013, we entered into Amendment No.1 to Credit Agreement (the “Amendment”), which became effective on May 9, 2013. As of the Amendment date, there was $297.0 million of term loans outstanding under the Term Loan Credit Agreement (the “Initial Loans”), of which we paid $20.0 million in connection with the Amendment. Under the Amendment, the lenders agreed to provide us term loans in an aggregate principal amount of $277.0 million, which were exchanged for and used to refinance the Initial Loans (the “Tranche B-1 Loans”).

On March 19, 2015, we entered into Amendment No. 2 to Credit Agreement (“Amendment No. 2”). As of the Amendment No. 2 date, there was $192.8 million of the Tranche B-1 Loans outstanding. Under Amendment No. 2, the lenders agreed to provide to us term loans in an aggregate principal amount of $192.8 million (the “Tranche B-2 Loans”), which were used to refinance the outstanding Tranche B-1 Loans. The Tranche B-2 Loans mature on March 19, 2022, but provide for an accelerated maturity in the event our outstanding Notes are not converted, redeemed, repurchased or refinanced in full on or before the date that is 91 days prior to the maturity date thereof and we are not then maintaining, and continue to maintain until the Notes are converted, redeemed, repurchased or refinanced in full, liquidity of at least $125 million. Liquidity, as defined in the Term Loan Credit Agreement, reflects the difference between (i) the sum of (A) unrestricted cash and cash equivalents and (B) the amount available and permitted to be drawn under our existing Credit Agreement and (ii) the amount necessary to fully redeem the Notes. The Tranche B-2 Loans shall amortize in equal quarterly installments in aggregate amounts equal to 0.25% of the original principal amount of the Tranche B-2 Loans, with the balance payable at maturity, and will bear interest at a rate, at our election, equal to (i) LIBOR (subject to a floor of 1.00%) plus a margin of 3.25% or (ii) a base rate plus a margin of 2.25%.

Amendment No. 2 also provides for a 1% prepayment premium applicable in the event that we enter into a refinancing of, or amendment in respect of, the Tranche B-2 Loans on or prior to the first anniversary of the effective date of Amendment No. 2, or March 19, 2016, that, in either case, results in the all-in yield (including, for purposes of such determination, the applicable interest rate, margin, original issue discount, upfront fees and interest rate floors, but excluding any customary arrangement, structuring, commitment or underwriting fees) of such refinancing or amendment being less than the all-in yield (determined on the same basis) on the Tranche B-2 Loans.

Additionally, Amendment No. 2 amends the Term Loan Credit Agreement by (i) removing the maximum senior secured leverage ratio test, (ii) modifying the accordion feature, as defined in the Term Loan Credit Agreement, to provide for a senior secured incremental term loan facility in an aggregate amount not to exceed the greater of (A) $75 million (less the aggregate amount of (1) any increases in the maximum revolver amount under the existing Credit Agreement and (2) certain permitted indebtedness incurred for the purpose of prepaying or repurchasing the Notes) and (B) an amount such that the senior secured leverage ratio would not be greater than 3.0 to 1.0, subject to certain conditions, including obtaining commitments from any one or more lenders, whether or not currently party to the Term Loan Credit Agreement, to provide such increased amounts. The senior secured leverage ratio is defined in the Term Loan Credit Agreement and reflects a ratio of consolidated net total secured indebtedness to consolidated EBITDA and (iii) amending certain negative covenants.

The Term Loan Credit Agreement, as amended, is guaranteed by the Term Guarantors and is secured by (i) first-priority liens on and security interests in the Term Priority Collateral, and (ii) second-priority security interests in the Revolver Priority Collateral. In addition, the Term Loan Credit Agreement, as amended, contains customary covenants limiting our ability to, among other things, pay cash dividends, incur debt or liens, redeem or repurchase stock, enter into transactions with affiliates, merge, dissolve, pay off subordinated indebtedness, make investments and dispose of assets.

Subject to the terms of the Intercreditor Agreement, if the covenants under the Term Loan Credit Agreement, as amended, are breached, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding and foreclose on collateral. Other customary events of default in the Term Loan Credit Agreement, as amended, include, without limitation, failure to pay obligations when due, initiation of insolvency proceedings, defaults on certain other indebtedness, and the incurrence of certain judgments that are not stayed, satisfied, bonded or discharged within 60 days.

During the second quarter of 2015 and in connection with the $13.1 million sale of our former Retail branch real estate in Fontana, California and Portland, Oregon, we are required, under the Term Loan Agreement, to reinvest amounts up to $10.0 million for qualified assets within 12 months of the sale. Further, a mandatory principal payment is required for asset sales greater than $10.0 million, with the amount of the required payment equal to the excess above $10.0 million, or $3.1 million. However, the lenders party to the Term Loan Credit Agreement approved a waiver providing us the opportunity to use the excess proceeds to exercise a purchase option on a capital lease obligation for one of our existing manufacturing facilities, and we exercised the option on July 10, 2015. As of

December 31, 2015 all requirements related to the restrictions on use of the excess proceeds have been satisfied.

For the years ended December 31, 2015, 2014 and 2013, under the Term Loan Credit Agreement we paid interest of $8.5 million, $10.0 million and $14.9 million, respectively, and principal of $1.4 million, $42.1 million, and $62.8 million, respectively. As of December 31, 2015, we had $191.4 million outstanding under the Term Loan Credit Agreement, of which $1.9 million was classified as current on the Company's Consolidated Balance Sheet as a result of Amendment No. 2 of the Term Loan Credit Agreement which requires a mandatory 1% per year principal payment.

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For the years ended December 31, 2015, 2014 and 2013, the Company charged $0.2 million, $0.9 million and $0.9 million, respectively, of amortization for original issuance discount fees as *Interest expense* in the Consolidated Statements of Operations. In addition, for the year ended December 31, 2015 the Company charged $5.3 million of accelerated amortization and related fees in connection with Amendment No. 2 included in *Other, net* in the Consolidated Statements of Operations. Additionally, in connection with Amendment No. 2 of the Term Loan Credit Agreement, the Company paid a total of $0.9 million in original issuance discount fees which are being amortized over the life of the amended Term Loan Credit Agreement using the effective interest rate method.

Cash Flow

2015 compared to 2014

Cash provided by operating activities for 2015 totaled $131.8 million, compared to $92.6 million in 2014. The cash provided by operations during the current year period was the result of net income adjusted for various non-cash activities, including depreciation, amortization, gain (loss) on the sale of assets, deferred taxes, loss on debt extinguishment, stock-based compensation, accretion of debt discount and impairment of intangibles, of $148.4 million, partially offset by a $16.6 million increase in our working capital. Changes in key working capital accounts for 2015 and 2014 are summarized below (in thousands):

Source (Use) of cash:	2015	2014	Change
Accounts receivable	$(17,618)	$(14,848)	$(2,770)
Inventories	10,162	3,116	7,046
Accounts payable and accrued liabilities	(12,243)	(26,787)	14,544
Net (use) source of cash	$(19,699)	$(38,519)	$18,820

Accounts receivable increased by $17.6 million in 2015 as compared to an increase of $14.8 million in the prior year period. Days sales outstanding, a measure of working capital efficiency that measures the amount of time a receivable is outstanding, increased to approximately 25 days as of December 31, 2015, compared to 23 days in 2014. The increase in accounts receivable for 2015 was primarily the result of the timing of shipments and an 8.8% increase in our consolidated net sales compared to the prior year. Inventory decreased by $10.2 million during 2015 as compared to a decrease of $3.1 million in 2014. The decrease in inventory for the 2015 period was primarily due to lower finished goods inventories at December 31, 2015 as customer shipments exceeded production in 2015. Our inventory turns, a commonly used measure of working capital efficiency that measures how quickly inventory turns per year was approximately 8 times in 2015 compared to approximately 7 times in 2014. Accounts payable and accrued liabilities decreased by $12.2 million in 2015 compared to a decrease of $26.8 million for 2014. The decrease in 2015 was primarily due to timing of production, a decrease in deposits from customers for products not delivered as well as an increase in volume-based rebate incentives offered by our suppliers as compared to the prior year. Days payable outstanding, a measure of working capital efficiency that measures the amount of time a payable is outstanding, was

16 days in 2015 and 19 days for the 2014 period.

Investing activities used $7.6 million during 2015 compared to $15.8 million used in 2014. Investing activities for 2015 include capital expenditures to support growth and improvement initiatives at our facilities totaling $20.8 million, partially offset by proceeds from the sale of property, plant and equipment totaling $13.2 million, which was comprised primarily of the sale of our former Retail branch real estate. Cash used in investing activities in 2014 was primarily related to capital expenditures totaling $20.0 million, partially offset by proceeds from the sale of certain Retail branch location assets totaling $4.1 million.

Financing activities used $91.4 million during 2015, primarily due to the repurchases of common stock through our share repurchase program totaling $60.1 million and repurchase of Notes totaling $22.9 million, principal payments under existing debt and capital lease obligations of $6.1 million, and debt issuance costs of $2.6 million incurred in relation to Amendment No. 2 to our Term Loan Credit Agreement and the amendment to our Revolving Credit Agreement. Financing activities used $44.0 million during 2014 primarily due to principal payments under our term loan credit facility of approximately $42.1 million.

As of December 31, 2015, our liquidity position, defined as cash on hand and available borrowing capacity, amounted to $347.9 million, representing an increase of $58.0 million from December 31, 2014. Total debt and capital lease obligations amounted to $315.6 million as of December 31, 2015. As we continue to see a strong demand environment within the trailer industry as well as our continued excellence in operating performance metrics across all business segments, we believe our liquidity is adequate to fund our currently planned operations, working capital needs and capital expenditures for 2016.

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2014 compared to 2013

Cash provided by operating activities for 2014 totaled $92.6 million, compared to $128.7 million in 2013. The cash provided by operations during the current year period was the result of net income adjusted for various non-cash activities, including depreciation, amortization, deferred taxes, stock-based compensation, accretion of debt discount, and loss on debt extinguishment, of $131.2 million, partially offset by a $38.6 million increase in our working capital. Changes in key working capital accounts for 2014 and 2013 are summarized below (in thousands):

Source (Use) of cash:	2014	2013	Change
Accounts receivable	$(14,848)	$(23,691)	$8,843
Inventories	3,116	6,260	(3,144)
Accounts payable and accrued liabilities	(26,787)	18,082	(44,869)
Net (use) source of cash	$(38,519)	$651	$(39,170)

Accounts receivable increased by $14.8 million in 2014 as compared to an increase of $23.7 million in the prior year period. Days sales outstanding, a measure of working capital efficiency that measures the amount of time a receivable is outstanding, decreased to approximately 23 days as of December 31, 2014, compared to 24 days in 2013. The increase in accounts receivable for 2014 was primarily the result of the timing of shipments and a 13.9% increase in our consolidated net sales compared to the prior year. Inventory decreased by $3.1 million during 2014 as compared to a decrease of $6.3 million in 2013. The decrease in inventory for the 2014 period was primarily due to lower finished goods inventories at December 31, 2014 as customer shipments exceeded production in 2014. Our inventory turns, a commonly used measure of working capital efficiency that measures how quickly inventory turns per year was approximately 7 times in 2014 compared to approximately 6 times in 2013. Accounts payable and accrued liabilities decreased by $26.8 million in 2014 compared to an increase of $18.1 million for 2013. The decrease in 2014 was primarily due to a reduced amount of deposits from customers for products not delivered, as well as the impact of early payment discounts offered by our suppliers. Days payable outstanding, a measure of working capital efficiency that measures the amount of time a payable is outstanding, was 19 days in 2014 and 25 days for the 2013 period.

Investing activities used $15.8 million during 2014 compared to $31.5 million used in 2013. Investing activities for 2014 included capital expenditures to support growth and improvement initiatives at our facilities totaling $20.0 million partially offset by proceeds from the sale of certain Retail branch location assets totaling $4.1 million. Cash used in investing activities in 2013 was primarily related to the acquisition of certain assets of Beall completed in the first quarter totaling $13.9 million and capital expenditures totaling $18.4 million.

Financing activities used $44.0 million and $65.3 million during 2014 and 2013, respectively, primarily due to principal payments under our term loan credit facility of approximately $42.1 million and $62.8 million, respectively.

As of December 31, 2014, our liquidity position, defined as cash on hand and available borrowing capacity, amounted to $289.9 million, represented an increase of $35.6 million from December 31, 2013. Total debt and capital lease obligations amounted to $332.5 million as of December 31, 2014.

Capital Expenditures

Capital spending amounted to $20.8 million for 2015 and is anticipated to be approximately $30 million for 2016. Capital spending for 2015 was primarily utilized to support growth, productivity improvements and environmental, health and safety initiatives within our facilities.

Off-Balance Sheet Transactions

As of December 31, 2015, we had approximately $8.2 million in operating lease commitments. We did not enter into any material off-balance sheet debt or operating lease transactions during the year.

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Outlook

The demand environment for trailers remained healthy throughout 2015, as evidenced by our strong and growing backlog, a trailer demand forecast by industry forecasters significantly above replacement demand levels for the next several years and our ability to increase prices to improve and recapture lost margins. Recent estimates from industry analysts, ACT Research Company (“ACT”) and FTR Associates (“FTR”), forecast demand for 2016 and beyond to remain strong. ACT currently estimates demand to be approximately 299,000 trailers for 2016, representing a decrease of 2.7% as compared to 2015, and forecasting continued strong demand levels into the foreseeable future with estimated annual average demand for the four year period ending 2020 to be approximately 264,000 new trailers. FTR anticipates new trailer demand to be approximately 279,000 new trailers in 2016, representing a decrease of 8.6% as compared to 2015 as well as projecting a decrease in 2017 with demand totaling 240,000 trailers. In spite of strong forecasted demand, there remain downside risks relating to issues with both the domestic and global economies, including the housing and construction-related markets in the U.S.

Other potential risks we face as we proceed into 2016 will primarily relate to our ability to manage the cost and supply of raw materials, commodities and component. Significant increases in the cost of certain commodities, raw materials or components could have an adverse effect on our results of operations. As has been our practice, we will endeavor to pass raw material and component price increases to our customers in addition to continuing our cost management and hedging activities in an effort to minimize the risk changes in material costs could have on our operating results. In addition, we rely on a limited number of suppliers for certain key components and raw materials in the manufacturing of our products, including tires, landing gear, axles, suspensions aluminum extrusions and specialty steel coil. At the current and expected demand levels, there may be shortages of supplies of raw materials or components which would have an adverse impact on our ability to meet demand for our products.

We believe we are well-positioned for long-term growth in the trailer industry because: (1) our core customers are among the dominant participants in the trucking industry; (2) our DuraPlate® and other industry leading brand trailers continue to have increased market acceptance; (3) our focus is on developing solutions that reduce our customers’ trailer maintenance and operating costs providing the best overall value; and (4) our presence throughout North America utilizing both our extensive independent dealer network in addition to the Company-owned branch locations to market and sell our products.

Based on the published industry demand forecasts, customer feedback regarding their current requirements, our existing backlog of orders and our continued efforts to be selective in our order acceptance to ensure we obtain appropriate value for our products, we estimate that for the full year 2016 total new trailers sold will be between 60,000 and 62,000, which reflects trailer volumes 4% to 7% lower than 2015 demand levels, primarily the result of a road construction project impacting the production of our dry van trailers in 2016. While our expectations for trailer volumes are similar to the demand levels forecasted by industry analysts, our commitment to continue to grow margins within our Commercial Trailer Products segment and the continued productivity and cost optimization initiatives through all of our businesses, we expect to see continued improvements during 2016.

We are not relying solely on strong new trailer volumes and price recovery to improve operations and enhance our profitability. We believe our strategic initiative to become a diversified industrial manufacturer will provide us the opportunity to address new markets, enhance our financial profile and reduce the cyclicality within our business. While demand for some of these products is dependent on the development of new products, customer acceptance of our product solutions and the general expansion of our customer base and distribution channels, we remain committed to enhancing and diversifying our business model through the organic and strategic initiatives. Through our three operating segments we offer a wide array of products and customer-specific solutions that we believe provide a good foundation for achieving these goals. In addition, we have been and will continue to focus on developing innovative new products that both add value to our customers' operations and allow us to continue to differentiate our products from the competition.

Contractual Obligations and Commercial Commitments

A summary of payments of our contractual obligations and commercial commitments, both on and off balance sheet, as of December 31, 2015 are as follows (in thousands):

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	2016	2017	2018	2019	2020	Thereafter	Total
DEBT:							
Revolving Facility (due 2020)	$-	$-	$-	$-	$-	$-	$-
Convertible Senior Notes (due 2018)	35,165	-	95,835	-	-	-	131,000
Term Loan Credit Facility (due 2022)	1,928	1,928	1,928	1,928	1,928	181,759	191,399
Industrial Revenue Bond	518	538	93	-	-	-	1,149
Capital Leases (including principal and interest)	943	594	453	361	361	389	3,101
TOTAL DEBT	$38,554	$3,060	$98,309	$2,289	$2,289	$182,148	$326,649
OTHER:							
Operating Leases	$3,458	$2,688	$1,267	$628	$137	$-	$8,178
TOTAL OTHER	$3,458	$2,688	$1,267	$628	$137	$-	$8,178
OTHER COMMERCIAL COMMITMENTS:							
Letters of Credit	$5,987	$-	$-	$-	$-	$-	$5,987
Raw Material Purchase Commitments	71,728	690	-	-	-	-	72,418
Used Trailer Purchase Commitments	2,105	-	-	-	-	-	2,105
TOTAL OTHER COMMERCIAL COMMITMENTS	$79,820	$690	$-	$-	$-	$-	$80,510
TOTAL OBLIGATIONS	$121,832	$6,438	$99,576	$2,917	$2,426	$182,148	$415,337

Scheduled payments for our Revolving Facility exclude interest payments as rates are variable. Borrowings under the Revolving Facility bear interest at a variable rate based on the London Interbank Offer Rate (LIBOR) or a base rate determined by the lender’s prime rate plus an applicable margin, as defined in the agreement. Outstanding borrowings under the Revolving Facility bear interest at a rate, at our election, equal to (i) LIBOR plus a margin ranging from 1.50% to 2.00% or (ii) a base rate plus a margin ranging from 0.50% to 1.00%, in each case depending upon the monthly average excess availability under the Revolving Facility. We are required to pay a monthly unused line fee equal to 0.25% times the average daily unused availability along with other customary fees and expenses of our agent and lenders.

Scheduled payments for our Convertible Senior Notes exclude interest payments that bear interest at the rate of 3.375% per annum from the date of issuance, payable semi-annually on May 1 and November 1.

Scheduled payments for our Term Loan Credit Agreement, as amended, exclude interest payments as rates are variable. Borrowings under the Term Loan Credit Agreement, as amended, bear interest at a variable rate, at our election, equal to (i) LIBOR (subject to a floor of 1.00%) plus a margin of 3.25% or (ii) a base rate plus a margin of 2.25%. The Term Loan Credit Agreement matures in March 2022, but provides for an accelerated maturity in the event our outstanding Convertible Senior Notes are not converted, redeemed, repurchased or refinanced in full on or before the date that is 91 days prior to the maturity date thereof and we are not then maintaining, and continue to

maintain until the Convertible Senior Notes are converted, redeemed, repurchased or refinanced in full, liquidity of at least $125 million.

Capital leases represent future minimum lease payments including interest. Operating leases represent the total future minimum lease payments.

We have $72.4 million in purchase commitments through March 2017 for various raw material commodities, including aluminum, steel and nickel as well as other raw material components that are within normal production requirements.

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We have used trailer purchase commitments totaling $2.1 million related to commitments with certain customers to accept used trailers on trade for new trailer purchases. These commitments arise in the normal course of business related to future new trailer orders at the time a new trailer order is placed by the customer.

We have standby letters of credit totaling $6.0 million issued in connection with workers compensation claims and surety bonds.

Significant Accounting Policies and Critical Accounting Estimates

Our significant accounting policies are more fully described in Note 2 to our consolidated financial statements. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, evaluation of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate.

We consider an accounting estimate to be critical if it requires us to make assumptions about matters that were uncertain at the time we were making the estimate or changes in the estimate or different estimates that we could have selected would have had a material impact on our financial condition or results of operations.

The table below presents information about the nature and rationale for our critical accounting estimates:

Balance Sheet Caption	Critical Estimate Item	Nature of Estimates Required	Assumptions/ Approaches Used	Key Factors
Other accrued liabilities and other non-current liabilities	Warranty	Estimating warranty requires us to forecast the resolution of existing claims and expected future claims on products sold.	We base our estimate on historical trends of trailers sold and payment amounts, combined with our current understanding of the status of existing claims, recall campaigns and discussions with our customers.	Failure rates and estimated repair costs

Accounts receivable	Allowance for doubtful accounts	Estimating the allowance for doubtful accounts requires us to estimate the financial capability of customers to pay for products.	We base our estimates on historical experience, the length of time an account is outstanding, evaluation of customer's financial condition and information from credit rating services.	Customer financial condition
Inventories	Lower of cost or market write-downs	We evaluate future demand for products, market conditions and incentive programs.	Estimates are based on recent sales data, historical experience, external market analysis and third party appraisal services.	Market conditions Product type
Property, plant and equipment, intangible assets, goodwill and other assets	Impairment of long- lived assets	We are required periodically to review the recoverability of certain of our assets based on projections of anticipated future cash flows, including future profitability assessments of various product lines.	We estimate cash flows using internal budgets based on recent sales data, and independent trailer production volume to assist with estimating future demand.	Future production estimates

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Balance Sheet Caption	Critical Estimate Item	Nature of Estimates Required	Assumptions/ Approaches Used	Key Factors
Additional paid-in capital	Stock-based compensation	We are required to estimate the fair value of all stock awards we grant.	We use a binomial valuation model to estimate the fair value of stock awards. We feel the binomial model provides the most accurate estimate of fair value.	Risk-free interest rate Historical volatility Dividend yield Expected term

In addition, there are other items within our financial statements that require estimation, but are not as critical as those discussed above. Changes in estimates used in these and other items could have a significant effect on our consolidated financial statements. The determination of the fair market value of our finished goods, primarily consisting of new trailers, and used trailer inventories are subject to variation, particularly in times of rapidly changing market conditions. A 5% change in the valuation of our finished goods and used trailer inventories at December 31, 2015, would be approximately $3.7 million.

Other

Inflation

We have historically been able to offset the impact of rising costs through productivity improvements as well as selective price increases. As a result, inflation has not had, and is not expected to have, a significant impact on our business.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 605, *Revenue Recognition*. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. Furthermore, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606),* which deferred the effective date of ASU No. 2014-09 for public business entities to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The effective date will be the first quarter of fiscal year 2018 using one of two retrospective application methods. We are currently assessing the potential impact of the adoption of ASU 2014-09 on our financial statements and related disclosures and have not yet decided on a transition method.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern*, which requires management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and provide related footnote disclosures. The guidance is effective for annual and interim reporting periods beginning on or after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued. The standard allows for either a full retrospective or modified retrospective transition method. We do not expect this standard to have a material impact on our financial statements upon adoption.

In April 2015, the FASB issued ASU No. 2015-03, *Imputation of Interest*. Also, in August 2015, the FASB issued ASU No. 2015-15, *Imputation of Interest, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Agreements* These ASUs simplify the presentation of debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums. The recognition and measurement guidance for debt issuance costs are not affected by these ASUs. The guidance provided in ASU No. 2015-03 did not address presentation or subsequent measurement of debt issuance costs related to line-of-credit arrangements, therefore, ASU No. 2015-15 provided authoritative guidance permitting an entity to defer and present debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. These ASUs are effective for annual and interim reporting periods beginning after December 15, 2015. The standard requires a retrospective approach where the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. The standard also requires compliance with applicable disclosures for a change in an accounting principle. We do not expect these standards to have a material impact on our consolidated financial statements upon adoption.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory*. This ASU, which applies to inventory that is measured using any method other than the last-in, first-out (LIFO) or retail inventory method, requires that entities measure inventory at the lower of cost or net realizable value. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016 and should be applied on a prospective basis. We are currently assessing the potential impact of adopting this guidance, but do not, at this time, anticipate a material impact to our consolidated results of operations, financial position, or cash flows.

In November 2015, the FASB issued ASU 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes.* This amendment changes how deferred taxes are recognized by eliminating the requirement of presenting deferred tax liabilities and assets as current and noncurrent on the balance sheet. Instead, the requirement will be to classify all deferred tax liabilities and assets as noncurrent. ASU 2015-17 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period, with earlier adoption permitted. ASU 2015-17 can be adopted either prospectively or retrospectively to all periods presented. We currently plan to early adopt ASU 2015-17 prospectively during 2016. Upon adoption of ASU 2015-17, deferred income taxes classified as current assets and liabilities will be presented as non-current items.

ITEM 7A—QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In addition to the risks inherent in our operations, we have exposure to financial and market risk resulting from volatility in commodity prices and interest rates. The following discussion provides additional detail regarding our exposure to these risks.

a. *Commodity Price Risks*

We are exposed to fluctuation in commodity prices through the purchase of various raw materials that are processed from commodities such as aluminum, steel, lumber, nickel, copper and polyethylene. Given the historical volatility of certain commodity prices, this exposure can significantly impact product costs. We manage some of our commodity price changes by entering into fixed price contracts with our suppliers. As of December 31, 2015, we had $72.4 million in raw material purchase commitments through March 2017 for materials that will be used in the production process, as compared to $71.3 million as of December 31, 2014. We typically do not set prices for our products more than 45-90 days in advance of our commodity purchases and can, subject to competitive market conditions, take into account the cost of the commodity in setting our prices for each order. To the extent that we are unable to offset the increased commodity costs in our product prices, our results would be materially and adversely affected.

b. *Interest Rates*

As of December 31, 2015, we had no floating rate debt outstanding under our revolving facility and for 2015 we maintained an average floating rate borrowing level of less than $0.1 million under our revolving facility. In addition, as of December 31, 2015, we had outstanding borrowings under our Term Loan Credit Agreement, as amended, totaling $191.4 million that bear interest at a floating rate, subject to a minimum interest rate. Based on the average borrowings under our revolving facility and the outstanding indebtedness under our Term Loan Credit Agreement a hypothetical 100 basis-point change in the floating interest rate would result in a corresponding change in interest expense over a one-year period of $0.8 million. This sensitivity analysis does not account for the change in the competitive environment indirectly related to the change in interest rates and the potential managerial action taken in response to these changes.

c. *Foreign Exchange Rates*

We are subject to fluctuations in the British pound sterling and Mexican peso exchange rates that impact transactions with our foreign subsidiaries, as well as U.S. denominated transactions between these foreign subsidiaries and unrelated parties. A five percent change in the British pound sterling or Mexican peso exchange rates would have an immaterial impact on results of operations. We do not hold or issue derivative financial instruments for speculative purposes.

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ITEM 8—FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013	57
Consolidated Statements of Comprehensive Income for the years ended December 31, 2015, 2014 and 2013	58
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Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013	60
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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Wabash National Corporation:

We have audited the accompanying consolidated balance sheets of Wabash National Corporation as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wabash National Corporation at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Wabash National Corporation’s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2016 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana

February 26, 2016

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Explanation of Responses:

WABASH NATIONAL CORPORATION

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$178,853	$146,113
Accounts receivable	152,824	135,206
Inventories	166,982	177,144
Deferred income taxes	22,431	16,993
Prepaid expenses and other	8,417	10,203
Total current assets	$529,507	$485,659
PROPERTY, PLANT AND EQUIPMENT	140,438	142,892
DEFERRED INCOME TAXES	1,358	-
GOODWILL	149,718	149,603
INTANGIBLE ASSETS	114,616	137,100
OTHER ASSETS	14,489	13,397
	$950,126	$928,651
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$37,611	$496
Current portion of capital lease obligations	806	1,458
Accounts payable	79,618	96,213
Other accrued liabilities	93,042	88,690
Total current liabilities	$211,077	$186,857
LONG-TERM DEBT	275,341	324,777
CAPITAL LEASE OBLIGATIONS	1,875	5,796
DEFERRED INCOME TAXES	1,497	2,349
OTHER NONCURRENT LIABILITIES	20,525	18,040
COMMITMENTS AND CONTINGENCIES		

STOCKHOLDERS' EQUITY		
Common stock 200,000,000 shares authorized, $0.01 par value, 64,929,510 and 68,998,069 shares outstanding, respectively	715	709
Additional paid-in capital	642,908	635,606
Accumulated deficit	(111,907)	(216,198)
Accumulated other comprehensive loss	(1,500)	(637)
Treasury stock at cost, 6,638,643 and 1,987,073 common shares, respectively	(90,405)	(28,648)
Total stockholders' equity	$439,811	$390,832
	$950,126	$928,651

The accompanying notes are an integral part of these Consolidated Statements.

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WABASH NATIONAL CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

	Year Ended December 31,		
	2015	2014	2013
NET SALES	$2,027,489	$1,863,315	$1,635,686
COST OF SALES	1,724,046	1,630,681	1,420,563
Gross profit	$303,443	$232,634	$215,123
GENERAL AND ADMINISTRATIVE EXPENSES	73,495	61,694	58,666
SELLING EXPENSES	27,233	26,676	30,597
AMORTIZATION OF INTANGIBLES	21,259	21,878	21,786
OTHER OPERATING EXPENSES	1,087	-	883
Income from operations	$180,369	$122,386	$103,191
OTHER INCOME (EXPENSE):			
Interest expense	(19,548)	(22,165)	(26,308)
Other, net	2,490	(1,759)	740
Income before income taxes	$163,311	$98,462	$77,623
INCOME TAX EXPENSE	59,022	37,532	31,094
Net income	$104,289	$60,930	$46,529
BASIC NET INCOME PER SHARE	$1.55	$0.88	$0.67
DILUTED NET INCOME PER SHARE	$1.50	$0.85	$0.67

The accompanying notes are an integral part of these Consolidated Statements.

WABASH NATIONAL CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in thousands)

	Year Ended December 31,		
	2015	2014	2013
NET INCOME	$104,289	$60,930	$46,529
Other comprehensive (loss) income:			
Foreign currency translation adjustment	(863)	(619)	(266)
Total other comprehensive (loss) income	(863)	(619)	(266)
COMPREHENSIVE INCOME	$103,426	$60,311	$46,263

The accompanying notes are an integral part of these Consolidated Statements.

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WABASH NATIONAL CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Dollars in thousands)

	Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive Income (Loss)	Treasury	
	Shares	Amount	Capital	Deficit		Stock	Total
BALANCES, December 31, 2012	68,378,984	$ 702	$ 618,550	$ (323,657)	$ 248	$ (27,116)	$ 268,727
Net income for the year	-	-	-	46,529	-	-	46,529
Foreign currency translation	-	-	-	-	(266)	-	(266)
Stock-based compensation	62,183	-	6,822	-	-	-	6,822
Stock repurchase	(3,665)	-	-	-	-	(35)	(35)
Common stock issued in connection with:							
Stock option exercises	85,917	3	599	-	-	-	602
BALANCES, December 31, 2013	68,523,419	$ 705	$ 625,971	$ (277,128)	$ (18)	$ (27,151)	$ 322,379
Net income for the year	-	-	-	60,930	-	-	60,930
Foreign currency translation	-	-	-	-	(619)	-	(619)
Stock-based compensation	392,470	4	7,714	-	-	-	7,718
Stock repurchase	(113,203)	-	-	-	-	(1,497)	(1,497)
Common stock issued in connection with:							
Stock option exercises	195,383	-	1,921	-	-	-	1,921
BALANCES, December 31, 2014	68,998,069	$ 709	$ 635,606	$ (216,198)	$ (637)	$ (28,648)	$ 390,832
Net income for the year	-	-	-	104,291	-	-	104,291
Foreign currency translation	-	-	-	-	(863)	-	(863)
Stock-based compensation	396,389	4	10,006	-	-	-	10,010
Stock repurchase	(4,651,570)	-	-	-	-	(61,757)	(61,757)
Equity component of convertible senior notes repurchase	-	-	(4,714)				(4,714)

Common stock issued in connection with:							
Stock option exercises	186,622	2	2,010	-	-	-	2,012
BALANCES, December 31, 2015	64,929,510	$ 715	$ 642,908	$ (111,907)	$ (1,500)	$ (90,405)	$ 439,811

The accompanying notes are an integral part of these Consolidated Statements.

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WABASH NATIONAL CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	Years Ended December 31,		
	2015	2014	2013
Cash flows from operating activities			
Net income	$104,289	$60,930	$46,529
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	16,739	16,951	16,550
Amortization of intangibles	21,259	21,878	21,786
Net (gain) loss on the sale of property, plant and equipment	(8,299)	13	140
Loss on debt extinguishment	5,808	1,042	1,889
Deferred income taxes	(7,749)	16,573	30,089
Stock-based compensation	10,010	7,833	7,480
Non-cash interest expense	5,222	5,994	5,817
Impairment of intangibles	1,087		
Changes in operating assets and liabilities			
Accounts receivable	(17,618)	(14,848)	(23,691)
Inventories	10,162	3,116	6,260
Prepaid expenses and other	1,786	(571)	(3,893)
Accounts payable and accrued liabilities	(12,243)	(26,787)	18,082
Other, net	1,342	511	1,631
Net cash provided by operating activities	$131,795	$92,635	$128,669
Cash flows from investing activities			
Capital expenditures	(20,847)	(19,957)	(18,352)
Acquisitions, net of cash acquired	-	-	(15,985)
Proceeds from sale of property, plant and equipment	13,203	87	305
Other	-	4,113	2,500
Net cash used in investing activities	$(7,644)	$(15,757)	$(31,532)
Cash flows from financing activities			
Proceeds from exercise of stock options	2,012	1,921	600
Borrowings under revolving credit facilities	1,134	806	1,166
Payments under revolving credit facilities	(1,134)	(806)	(1,166)
Principal payments under capital lease obligations	(4,201)	(1,898)	(1,700)
Proceeds from issuance of term loan credit facility	192,845	-	-
Principal payments under term loan credit facility	(194,291)	(42,078)	(62,827)
Principal payments under industrial revenue bond	(496)	(475)	(381)
Debt issuance costs paid	(2,587)	-	(981)
Convertible senior notes repurchase	(22,936)	-	-

Stock repurchase	(61,757)	(1,497)	(35)
Net cash used in financing activities	$(91,411)	$(44,027)	$(65,324)
Net increase in cash and cash equivalents	$32,740	$32,851	$31,813
Cash and cash equivalents at beginning of year	146,113	113,262	81,449
Cash and cash equivalents at end of year	$178,853	$146,113	$113,262
Supplemental disclosures of cash flow information			
Cash paid during the period for			
Interest	$14,578	$16,136	$20,913
Income taxes	$66,283	$20,220	$941

The accompanying notes are an integral part of these Consolidated Statements.

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WABASH NATIONAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Wabash National Corporation (the “Company”) designs, manufactures and markets standard and customized truck and tank trailers, intermodal equipment and transportation related products under the Wabashâ, Wabash Nationalâ, DuraPlateâ, DuraPlate HDâ, DuraPlateâ XD-35®, DuraPlate AeroSkirt®, ArcticLite®, RoadRailerâ, TrustLock Plusâ, Transcraftâ, Benson®, Walker Transport, Walker Engineered Products, Brennerâ Tank, Garsite, Progress Tank, Bulk Tank International, Extract Technologyâ, and Beall® brand names or trademarks. The Company’s wholly-owned subsidiaries, Wabash National Trailer Centers, Inc. and Brenner Tank Services, LLC, sell new and used trailers through its retail network and provides aftermarket parts and service for the Company’s and competitors’ trailers and related equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Consolidation

The consolidated financial statements reflect the accounts of the Company and its wholly-owned and majority-owned subsidiaries. All significant intercompany profits, transactions and balances have been eliminated in consolidation.

b. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that directly affect the amounts reported in its consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

c. Revenue Recognition

The Company recognizes revenue from the sale of its products when the customer has made a fixed commitment to purchase a product for a fixed or determinable price, collection is reasonably assured under the Company’s normal billing and credit terms and ownership and all risk of loss has been transferred to the buyer, which is normally upon shipment to or pick up by the customer. Revenues on certain contracts are recorded on a percentage of completion

method, measured by either actual labor incurred to the estimated total labor or actual total cost incurred to the total estimated costs for each project. Revenues exclude all taxes collected from the customer. Shipping and handling fees are included in *Net Sales* and the associated costs included in *Cost of Sales* in the Consolidated Statements of Operations.

d. Used Trailer Trade Commitments and Residual Value Guarantees

The Company has commitments with certain customers to accept used trailers on trade for new trailer purchases. These commitments arise in the normal course of business related to future new trailer orders at the time a new trailer order is placed by the customer. The Company acquired used trailers on trade of approximately $12.8 million, $26.8 million and $26.2 million in 2015, 2014 and 2013, respectively. As of December 31, 2015 and 2014, the Company had approximately $2.1 million and $10.0 million, respectively, of outstanding trade commitments. On occasion, the amount of the trade allowance provided for in the used trailer commitments, or cost, may exceed the net realizable value of the underlying used trailer. In these instances, the Company’s policy is to recognize the loss related to these commitments at the time the new trailer revenue is recognized. Net realizable value of used trailers is measured considering market sales data for comparable types of trailers. The net realizable value of the used trailers subject to the remaining outstanding trade commitments was estimated by the Company to be approximately $2.2 million and $10.0 million as of December 31, 2015 and 2014, respectively.

e. Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less at the time of purchase.

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f. Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts and primarily include trade receivables. The Company records and maintains a provision for doubtful accounts for customers based upon a variety of factors including the Company's historical collection experience, the length of time the account has been outstanding and the financial condition of the customer. If the circumstances related to specific customers were to change, the Company's estimates with respect to the collectability of the related accounts could be further adjusted. The Company's policy is to write-off receivables when they are determined to be uncollectible. Provisions to the allowance for doubtful accounts are charged to both *General and Administrative Expenses* and *Selling Expenses* in the Consolidated Statements of Operations. The following table presents the changes in the allowance for doubtful accounts (in thousands):

	Years Ended December 31,		
	2015	2014	2013
Balance at beginning of year	$ 1,047	$ 2,058	$ 858
Provision	210	178	908
Write-offs, net of recoveries	(301)	(1,189)	292
Balance at end of year	$ 956	$ 1,047	$ 2,058

g. Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) method, or market. The cost of manufactured inventory includes raw material, labor and overhead. Inventories consist of the following (in thousands):

	December 31,	
	2015	2014
Raw materials and components	$ 65,790	$ 63,847
Work in progress	18,201	23,145
Finished goods	67,260	68,923
Aftermarket parts	8,714	8,446
Used trailers	7,017	12,783
	$ 166,982	$ 177,144

h. Prepaid Expenses and Other

Prepaid expenses and other as of December 31, 2015 and 2014 were $8.4 million and $10.2 million, respectively. Prepaid expenses and other primarily includes items such as insurance premiums, maintenance agreements and other

receivables. Insurance premiums and maintenance agreements are charged to expense over the contractual life, which is generally one year or less. Other receivables primarily consist of costs in excess of billings on contracts for which the Company recognizes revenue on a percentage of completion basis.

i. Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation. Maintenance and repairs are charged to expense as incurred, while expenditures that extend the useful life of an asset are capitalized. Depreciation is recorded using the straight-line method over the estimated useful lives of the depreciable assets. The estimated useful lives are up to 33 years for buildings and building improvements and range from three to ten years for machinery and equipment. Depreciation expense, which is recorded in *Cost of Sales* and *General and Administrative Expenses* in the Consolidated Statements of Operations, as appropriate, on property, plant and equipment was $16.2 million, $16.5 million and $15.7 million in 2015, 2014 and 2013, respectively, and includes amortization of assets recorded in connection with the Company’s capital lease agreements. As of December 31, 2015 and 2014, the assets related to the Company’s capital lease agreements are recorded within *Property, Plant and Equipment* in the Consolidated Balance Sheet for the amount of $5.0 million and $10.2 million, respectively, net of accumulated depreciation of $2.6 million and $3.5 million, respectively.

Property, plant and equipment consist of the following (in thousands):

	December 31,	
	2015	2014
Land	$22,978	$25,982
Buildings and building improvements	114,216	115,856
Machinery and equipment	220,814	210,488
Construction in progress	13,741	10,518
	$371,749	$362,844
Less: accumulated depreciation	(231,311)	(219,952)
	$140,438	$142,892

j. *Intangible Assets*

As of December 31, 2015, the balances of intangible assets, other than goodwill, were as follows (in thousands):

	Weighted Average Amortization Period	Gross Intangible Assets	Accumulated Amortization	Net Intangible Assets
Tradenames and trademarks	20 years	$ 37,894	$ (9,970)	$ 27,924
Customer relationships	10 years	151,634	(76,340)	75,294
Technology	12 years	16,517	(5,119)	11,398
Total	12 years	$ 206,045	$ (91,429)	$ 114,616

As of December 31, 2014, the balances of intangible assets, other than goodwill, were as follows (in thousands):

	Weighted Average Amortization Period	Gross Intangible Assets	Accumulated Amortization	Net Intangible Assets
Tradenames and trademarks	20 years	$ 39,222	$ (8,252)	$ 30,970
Customer relationships	10 years	151,839	(58,534)	93,305
Technology	12 years	16,517	(3,692)	12,825
Total	12 years	$ 207,578	$ (70,478)	$ 137,100

Intangible asset amortization expense was $21.3 million, $21.9 million and $21.8 million for 2015, 2014 and 2013, respectively. Annual intangible asset amortization expense for the next 5 fiscal years is estimated to be $20.0 million in 2016; $16.9 million in 2017; $15.4 million in 2018; $14.5 million in 2019 and $13.7 million in 2020. Additionally, during the fourth quarter of 2015 the Company's Diversified Products reporting unit recognized a $1.1 million impairment of intangible assets as specific tradenames of this reporting unit were consolidated. As a result, a full

impairment of the related assets was recorded within *Other Operating Expenses* in the Company's Consolidated Statements of Operations.

k. Goodwill

The changes in the carrying amounts of goodwill, all of which are included in the Company's Diversified Products segment as of December 31, 2015, except for approximately $9.9 million allocated to the Company's Retail segment, for the years ended December 31, 2015 and 2014 were as follows (in thousands):

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Balance as of December 31, 2013	$149,967
Goodwill disposed	(500)
Effects of foreign currency	136
Balance as of December 31, 2014	$149,603
Effects of foreign currency	115
Balance as of December 31, 2015	$149,718

Goodwill represents the excess purchase price over fair value of the net assets acquired. The Company reviews goodwill for impairment, at the reporting unit level, annually on October 1 and whenever events or changes in circumstances indicate its carrying value may not be recoverable. In accordance with ASC 350, *Intangibles – Goodwill and Other*, goodwill is reviewed for impairment utilizing either a qualitative assessment or a two-step quantitative process.

The Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In assessing the qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company assesses relevant events and circumstances that may impact the fair value and the carrying amount of the reporting unit. The identification of relevant events and circumstances and how these may impact a reporting unit's fair value or carrying amount involve significant judgments and assumptions. The judgments and assumptions include the identification of macroeconomic conditions, industry and market conditions, cost factors, overall financial performance and Company specific events and making the assessment on whether each relevant factor will impact the impairment test positively or negatively and the magnitude of any such impact. If, after assessing the totality of events or circumstances, the Company determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary.

For reporting units in which the Company performs the two-step quantitative analysis, the first step compares the carrying value, including goodwill, of each reporting unit with its estimated fair value. If the fair value of the reporting unit exceeds its carrying value, the goodwill is not considered impaired. If the carrying value is greater than the fair value, this suggests that an impairment may exist and a second step is required in which the implied fair value of goodwill is calculated as the excess of the fair value of the reporting unit over the fair values assigned to its assets and liabilities. If this implied fair value is less than the carrying value, the difference is recognized as an impairment loss charged to the reporting unit. In assessing goodwill using this quantitative approach, the Company establishes fair value for the purpose of impairment testing by averaging the fair value using an income and market approach. The income approach employs a discounted cash flow model incorporating similar pricing concepts used to calculate fair value in an acquisition due diligence process and a discount rate that takes into account the Company’s estimated average cost of capital. The market approach employs market multiples based on comparable publicly traded

companies in similar industries as the reporting unit. Estimates of fair value are established using current and forward multiples adjusted for size and performance of the reporting unit relative to peer companies.

For 2015 and 2013, the Company completed its goodwill impairment testing during the fourth quarter using the qualitative approach. For 2014, the Company completed its testing using the quantitative assessment. Based on the testing performed in each of these years, the Company believes it is more likely than not that the fair value of its reporting units are greater than their carrying amount. As such, no impairment of goodwill was recognized in 2015, 2014 or 2013. Furthermore, in 2014, the Company's Retail reporting unit recognized a partial disposal of goodwill in the amount of $0.5 million resulting from the transitioning of three Retail branch locations to independent dealer facilities during the second quarter of 2014.

l. Other Assets

The Company capitalizes the cost of computer software developed or obtained for internal use. Capitalized software is amortized using the straight-line method over three to seven years. As of December 31, 2015 and 2014, the Company had software costs, net of amortization, of $2.7 million and $2.2 million, respectively. Amortization expense for 2015, 2014 and 2013 was $0.6 million, $0.5 million and $0.7 million, respectively.

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m. Long-Lived Assets

Long-lived assets, consisting primarily of intangible assets and property, plant and equipment, are reviewed for impairment whenever facts and circumstances indicate that the carrying amount may not be recoverable. Specifically, this process involves comparing an asset's carrying value to the estimated undiscounted future cash flows the asset is expected to generate over its remaining life. If this process were to result in the conclusion that the carrying value of a long-lived asset would not be recoverable, a write-down of the asset to fair value would be recorded through a charge to operations. Fair value is determined based upon discounted cash flows or appraisals as appropriate.

n. Other Accrued Liabilities

The following table presents the major components of *Other Accrued Liabilities* (in thousands):

	December 31,	
	2015	2014
Payroll and related taxes	$34,427	$30,362
Warranty	19,709	15,462
Customer Deposits	14,877	21,680
Accrued taxes	8,075	8,371
Self-insurance	7,677	7,494
All other	8,277	5,321
	$93,042	$88,690

The following table presents the changes in the product warranty accrual included in *Other Accrued Liabilities* (in thousands):

	2015	2014
Balance as of January 1	$15,462	$14,719
Provision for warranties issued in current year	9,714	7,058
Recovery of pre-existing warranties	(409)	(296)
Payments	(5,058)	(6,019)
Balance as of December 31	$19,709	$15,462

The Company offers a limited warranty for its products with a coverage period that ranges between one and five years, except that the coverage period for DuraPlate® trailer panels is ten years. The Company passes through component manufacturers' warranties to our customers. The Company's policy is to accrue the estimated cost of warranty coverage at the time of the sale.

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The following table presents the changes in the self-insurance accrual included in *Other Accrued Liabilities* (in thousands):

	Self-Insurance Accrual
Balance as of January 1, 2014	$ 9,399
Expense	34,662
Payments	(36,567)
Balance as of December 31, 2014	$ 7,494
Expense	40,023
Payments	(39,840)
Balance as of December 31, 2015	$ 7,677

The Company is self-insured up to specified limits for medical and workers' compensation coverage. The self-insurance reserves have been recorded to reflect the undiscounted estimated liabilities, including claims incurred but not reported, as well as catastrophic claims as appropriate.

o. Income Taxes

The Company determines its provision or benefit for income taxes under the asset and liability method. The asset and liability method measures the expected tax impact at current enacted rates of future taxable income or deductions resulting from differences in the tax and financial reporting basis of assets and liabilities reflected in the Consolidated Balance Sheets. Future tax benefits of tax losses and credit carryforwards are recognized as deferred tax assets. Deferred tax assets are reduced by a valuation allowance to the extent management determines that it is more-likely-than-not the Company would not realize the value of these assets.

The Company accounts for income tax contingencies by prescribing a "more-likely-than-not" recognition threshold that a tax position is required to meet before being recognized in the financial statements.

p. Concentration of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash, cash equivalents and customer receivables. We place our cash and cash equivalents with high quality financial institutions. Generally, we do not require collateral or other security to support customer receivables.

q. Research and Development

Research and development expenses are charged to earnings as incurred and were $4.8 million, $1.7 million and $2.5 million in 2015, 2014 and 2013, respectively.

r. Reclassification of Prior Year Presentation

Certain prior year amounts were reclassified for consistency with the current period presentation. These reclassifications did not materially impact the consolidated financial statements.

s. New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 605, *Revenue Recognition*. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. Furthermore, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606),* which deferred the effective date of ASU No. 2014-09 for public business entities to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The effective date for the Company will be the first quarter of fiscal year 2018 using one of two retrospective application methods. The Company is currently assessing the potential impact of the adoption of ASU 2014-09 on its financial statements and related disclosures and have not yet decided on a transition method.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern*, which requires management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and provide related footnote disclosures. The guidance is effective for annual and interim reporting periods beginning on or after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued. The standard allows for either a full retrospective or modified retrospective transition method. The Company does not expect this standard to have a material impact on the Company's financial statements upon adoption.

In April 2015, the FASB issued ASU No. 2015-03, *Imputation of Interest*. Also, in August 2015, the FASB issued ASU No. 2015-15, *Imputation of Interest, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Agreements* These ASUs simplify the presentation of debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums. The recognition and measurement guidance for debt issuance costs are not affected by these ASUs. The guidance provided in ASU No. 2015-03 did not address presentation or subsequent measurement of debt issuance costs related to line-of-credit arrangements, therefore, ASU No. 2015-15 provided authoritative guidance permitting an entity to defer and present debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. These ASUs are effective for annual and interim reporting periods beginning after December 15, 2015. The standard requires a retrospective approach where the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. The standard also requires compliance with applicable disclosures for a change in an accounting principle. The Company does not expect these standards to have a material impact on the Company's consolidated financial statements upon adoption.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory*. This ASU, which applies to inventory that is measured using any method other than the last-in, first-out (LIFO) or retail inventory method, requires that entities measure inventory at the lower of cost or net realizable value. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016 and should be applied on a prospective basis. The Company is currently assessing the potential impact of adopting this guidance, but does not, at this time, anticipate a material impact to its consolidated results of operations, financial position, or cash flows.

In November 2015, the FASB issued ASU 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes.* This amendment changes how deferred taxes are recognized by eliminating the requirement of presenting deferred tax liabilities and assets as current and noncurrent on the balance sheet. Instead, the requirement will be to classify all deferred tax liabilities and assets as noncurrent. ASU 2015-17 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period, with earlier adoption permitted. ASU 2015-17 can be adopted either prospectively or retrospectively to all periods presented. The Company currently plans on adopting ASU 2015-17 prospectively during fiscal year 2016. Upon adoption of ASU 2015-17, deferred income taxes classified as current assets and liabilities will be presented as non-current items.

3. PER SHARE OF COMMON STOCK

Per share results have been calculated based on the average number of common shares outstanding. The calculation of basic and diluted net income per share is determined using net income applicable to common stockholders as the numerator and the number of shares included in the denominator as follows (in thousands, except per share amounts):

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	Years Ended December 31,		
	2015	2014	2013
Basic net income per share			
Net income applicable to common stockholders	$104,289	$60,930	$46,529
Undistributed earnings allocated to participating securities	-	(481)	(457)
Net income applicable to common stockholders excluding amounts applicable to participating securities	$104,289	$60,449	$46,072
Weighted average common shares outstanding	67,201	68,895	68,460
Basic net income per share	$1.55	$0.88	$0.67
Diluted net income per share:			
Net income applicable to common stockholders	$104,289	$60,930	$46,529
Undistributed earnings allocated to participating securities	-	(481)	(457)
Net income applicable to common stockholders excluding amounts applicable to participating securities	$104,289	$60,449	$46,072
Weighted average common shares outstanding	67,201	68,895	68,460
Dilutive shares from assumed conversion of convertible senior notes	1,128	1,354	63
Dilutive stock options and restricted stock	1,039	814	558
Diluted weighted average common shares outstanding	69,368	71,063	69,081
Diluted net income per share	$1.50	$0.85	$0.67

Average diluted shares outstanding for the periods ended December 31, 2015, 2014 and 2013 exclude options to purchase common shares totaling 666, 581, and 1,121, respectively, because the exercise prices were greater than the average market price of the common shares. In addition, the calculation of diluted net income per share for each period includes the impact of the Company’s Notes as the average stock price of the Company’s common stock during these periods was above the initial conversion price of approximately $11.70 per share.

4. LEASE ARRANGEMENTS

The Company leases office space, manufacturing, warehouse and service facilities and equipment for varying periods under both operating and capital lease agreements. Future minimum lease payments required under these lease commitments as of December 31, 2015 are as follows (in thousands):

	Capital Leases	Operating Leases
2016	943	3,458
2017	594	2,688
2018	453	1,267
2019	361	628
2020	361	137

Thereafter	389	-
Total minimum lease payments	$ 3,101	$ 8,178
Interest	(420)	
Present value of net minimum lease payments	$ 2,681	

Total rental expense was $6.2 million, $5.8 million and $4.6 million for 2015, 2014 and 2013, respectively.

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5. DEBT

Long-term debt consists of the following (in thousands):

	December 31,	
	2015	2014
Convertible senior notes	$131,000	$150,000
Term loan credit agreement	191,399	192,845
Industrial revenue bond	1,149	1,645
	$323,548	$344,490
Less: unamortized discount	(10,596)	(19,217)
Less: current portion	(37,611)	(496)
	$275,341	$324,777

Maturities of long-term debt for the five years succeeding December 31, 2015 and thereafter are as follows (in thousands):

2016	37,611
2017	2,466
2018	97,856
2019	1,928
2020	1,928
Thereafter	181,759
Maturities of long-term debt	$323,548

Convertible Senior Notes

In April 2012, the Company issued Convertible Senior Notes due 2018 (the “Notes”) with an aggregate principal amount of $150 million in a public offering. The Notes bear interest at the rate of 3.375% per annum from the date of issuance, payable semi-annually on May 1 and November 1. The Notes are senior unsecured obligations of the Company ranking equally with its existing and future senior unsecured debt.

The Notes are convertible by their holders into cash, shares of the Company’s common stock or any combination thereof at the Company’s election, at an initial conversion rate of 85.4372 shares of the Company’s common stock per $1,000 in principal amount of Notes, which is equal to an initial conversion price of approximately $11.70 per share, only under the following circumstances: (A) before November 1, 2017 (1) during any calendar quarter commencing

after the calendar quarter ending on June 30, 2012 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price (as defined in the indenture for the Notes) per $1,000 principal amount of Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate on each such trading day; and (3) upon the occurrence of specified corporate events as described in the indenture for the Notes; and (B) at any time on or after November 1, 2017 until the close of business on the second business day immediately preceding the maturity date. As of December 30, 2015, the Notes were not convertible based on the above criteria. If the Notes outstanding at December 31, 2015 were converted as of December 31, 2015, the if-converted value would exceed the principal amount by approximately $1 million.

It is the Company's intent to settle conversions through a net share settlement, which involves repayment of cash for the principal portion and delivery of shares of common stock for the excess of the conversion value over the principal portion. The Company used the net proceeds of $145.1 million from the sale of the Notes to fund a portion of the purchase price of the acquisition of Walker Group Holdings ("Walker") in May 2012.

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The Company accounts separately for the liability and equity components of the Notes in accordance with authoritative guidance for convertible debt instruments that may be settled in cash upon conversion. The guidance required the carrying amount of the liability component to be estimated by measuring the fair value of a similar liability that does not have an associated conversion feature. The Company determined that senior, unsecured corporate bonds traded on the market represent a similar liability to the Notes without the conversion option. Based on market data available for publicly traded, senior, unsecured corporate bonds issued by companies in the same industry and with similar maturity, the Company estimated the implied interest rate of the Notes to be 7.0%, assuming no conversion option. Assumptions used in the estimate represent what market participants would use in pricing the liability component, including market interest rates, credit standing, and yield curves, all of which are defined as Level 2 observable inputs. The estimated implied interest rate was applied to the Notes, which resulted in a fair value of the liability component of $123.8 million upon issuance, calculated as the present value of implied future payments based on the $150.0 million aggregate principal amount. The $21.7 million difference between the cash proceeds before offering expenses of $145.5 million and the estimated fair value of the liability component was recorded in additional paid-in capital. The discount on the liability portion of the Notes is being amortized over the life of the Notes using the effective interest rate method.

On December 15, 2015, the Company executed agreements with existing holders of the Notes to repurchase $54.2 million in principal of such Notes of which $19.0 million was acquired in December for $22.9 million, excluding accrued interest. The remaining $35.2 million in principal of the Notes is scheduled to be repurchased in February 2016 and, therefore, is classified as current on the Company's Consolidated Balance Sheet as of December 31, 2015. In connection with the repurchase of a portion of the Notes, the Company recognized a loss on debt extinguishment of $0.2 million which was included in *Other, net* on our Consolidated Statement of Operations.

The Company applies the treasury stock method in calculating the dilutive impact of the Notes. For the year ended December 31, 2015, the Notes had a dilutive impact.

The following table summarizes information about the equity and liability components of the Notes (dollars in thousands). The fair value of the notes outstanding were measured based on quoted market prices.

	December 31,	
	2015	2014
Principal amount of convertible notes outstanding	$131,000	$150,000
Unamortized discount of liability component	(9,732)	(15,399)
Net carrying amount of liability component	121,268	134,601
Less: current portion	(35,165)	-
Long-term debt	$86,103	$134,601
Carrying value of equity component, net of issuance costs	$15,810	$20,993
Remaining amortization period of discount on the liability component	2.3 years	3.3 years

The contractual coupon interest expense and accretion of discount on the liability component for the Notes for the years ended December 31, 2015, 2014 and 2013 were as follow (in thousands):

	Years Ended December 31,		
	2015	2014	2013
Contractual coupon interest expense	$ 5,063	$ 5,063	$ 5,063
Accretion of discount on the liability component	$ 4,256	$ 3,973	$ 3,710

Revolving Credit Agreement

On June 4, 2015, the Company entered into a Joinder and First Amendment to Amended and Restated Credit Agreement, First Amendment to Amended and Restated Security Agreement and First Amendment to Amended and Restated Guaranty Agreement (the “Amendment”) by and among the Company, certain of its subsidiaries designated as Loan Parties (as defined in the Amendment), Wells Fargo Capital Finance, LLC, as arranger and administrative agent (the “Agent”), and the other Lenders party thereto. The Amendment amends, among other things, the Amended and Restated Credit Agreement (as amended, the “Credit Agreement”), dated as of May 8, 2012, among the Company, certain subsidiaries of the Company from time to time party thereto (together with the Company, the “Borrowers”), the several lenders from time to time party thereto, and the Agent and provides for, among other things, a five year, $175 million senior secured revolving credit facility (the “Credit Facility”).

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The Amendment, among other things (i) increases the total commitments under the Credit Facility from $150 million to $175 million, and (ii) extends the maturity date of the Credit Facility from May 8, 2017 to June 4, 2020, but provides for an accelerated maturity in the event the Company's outstanding Notes are not converted, redeemed, repurchased or refinanced in full on or before the date that is 121 days prior to the maturity date thereof and the Company is not then maintaining, and continues to maintain until the Notes are converted, redeemed, repurchased or refinanced in full, (x) Liquidity of at least $125 million and (y) availability under the Credit Facility of at least $25 million. Liquidity, as defined in the Credit Agreement, reflects the difference between (i) the sum of (A) unrestricted cash and cash equivalents and (B) availability under the Credit Facility and (ii) the amount necessary to fully redeem the Notes.

In addition, the Amendment (i) provides that borrowings under the Credit Facility will bear interest, at the Borrowers' election, at (x) LIBOR plus a margin ranging from 150 basis points to 200 basis points (in lieu of the previous range from 175 basis points to 225 basis points), or (y) a base rate plus a margin ranging from 50 basis points to 100 basis points (in lieu of the previous range from 75 basis points to 125 basis points), in each case, based upon the monthly average excess availability under the Credit Facility, (ii) provides that the monthly unused line fee shall be equal to 25 basis points (which amount was previously 37.5 basis points) times the average unused availability under the Credit Facility, (iii) provides that if availability under the Credit Facility is less than 12.5% (which threshold was previously 15%) of the total commitment under the Credit Facility or if there exists an event of default, amounts in any of the Borrowers' and the subsidiary guarantors' deposit accounts (other than certain excluded accounts) will be transferred daily into a blocked account held by the Agent and applied to reduce the outstanding amounts under the Credit Facility, (iv) provides that the Company will be required to maintain a minimum fixed charge coverage ratio of not less than 1.1 to 1.0 as of the end of any period of 12 fiscal months when excess availability under the Credit Facility is less than 10% (which threshold was previously 12.5%) of the total commitment under the Credit Facility and (v) amends certain negative covenants in the Credit Agreement.

The Credit Agreement is guaranteed by certain of the Company's subsidiaries (the "Revolver Guarantors") and is secured by (i) first priority security interests (subject only to customary permitted liens and certain other permitted liens) in substantially all personal property of the Borrowers and the Revolver Guarantors, consisting of accounts receivable, inventory, cash, deposit and securities accounts and any cash or other assets in such accounts and, to the extent evidencing or otherwise related to such property, all general intangibles, licenses, intercompany debt, letter of credit rights, commercial tort claims, chattel paper, instruments, supporting obligations, documents and payment intangibles (collectively, the "Revolver Priority Collateral"), and (ii) second-priority liens on and security interests in (subject only to the liens securing the Term Loan Credit Agreement, customary permitted liens and certain other permitted liens) (A) equity interests of each direct subsidiary held by the Borrower and each Revolving Guarantor (subject to customary limitations in the case of the equity of foreign subsidiaries), and (B) substantially all other tangible and intangible assets of the Borrowers and the Revolving Guarantors including equipment, general intangibles, intercompany notes, insurance policies, investment property, intellectual property and material owned real property (in each case, except to the extent constituting Revolver Priority Collateral) (collectively, the "Term Priority Collateral"). The respective priorities of the security interests securing the Credit Agreement and the Term Loan Credit Agreement are governed by an Intercreditor Agreement between the Revolver Agent and the Term Agent (as defined below) (the "Intercreditor Agreement").

Subject to the terms of the Intercreditor Agreement, if the covenants under the Credit Agreement are breached, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding and foreclose on collateral. Other customary events of default in the Credit Agreement include, without limitation, failure to pay obligations when due, initiation of insolvency proceedings, defaults on certain other indebtedness, and the incurrence of certain judgments that are not stayed, satisfied, bonded or discharged within 30 days.

As of December 31, 2015 and 2014 the Company had no material outstanding borrowings under the Credit Agreement and was in compliance with all covenants. The Company’s liquidity position, defined as cash on hand and available borrowing capacity on the revolving credit facility, amounted to $347.9 million as of December 31, 2015.

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Term Loan Credit Agreement

In May 2012 the Company entered into a credit agreement among the Company, the several lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, joint lead arranger and joint bookrunner (the “Term Agent”), and Wells Fargo Securities, LLC, as joint lead arranger and joint bookrunner (the “Term Loan Credit Agreement”), which initially provided, among other things, for a senior secured term loan facility of $300 million. Also in May 2012, certain of the Company’s subsidiaries (the “Term Guarantors”) entered into a general continuing guarantee of the Company’s obligations under the Term Loan Credit Agreement in favor of the Term Agent (the “Term Guarantee”).

In April 2013, the Company entered into Amendment No.1 to Credit Agreement (the “Amendment”), which became effective on May 9, 2013. As of the Amendment date, there was $297.0 million of term loans outstanding under the Term Loan Credit Agreement (the “Initial Loans”), of which the Company paid $20.0 million in connection with the Amendment. Under the Amendment, the lenders agreed to provide to the Company term loans in an aggregate principal amount of $277.0 million, which were exchanged for and used to refinance the Initial Loans (the “Tranche B-1 Loans”).

On March 19, 2015, the Company entered into Amendment No. 2 to Credit Agreement (“Amendment No. 2”). As of the Amendment No. 2 date, there was $192.8 million of the Tranche B-1 Loans outstanding. Under Amendment No. 2, the lenders agreed to provide to the Company term loans in an aggregate principal amount of $192.8 million (the “Tranche B-2 Loans”), which were used to refinance the outstanding Tranche B-1 Loans. The Tranche B-2 Loans mature on March 19, 2022, but provide for an accelerated maturity in the event the Company’s outstanding Notes are not converted, redeemed, repurchased or refinanced in full on or before the date that is 91 days prior to the maturity date thereof and the Company is not then maintaining, and continues to maintain until the Notes are converted, redeemed, repurchased or refinanced in full, liquidity of at least $125 million. Liquidity, as defined in the Term Loan Credit Agreement, reflects the difference between (i) the sum of (A) unrestricted cash and cash equivalents and (B) the amount available and permitted to be drawn under the Company’s existing Credit Agreement and (ii) the amount necessary to fully redeem the Notes. The Tranche B-2 Loans shall amortize in equal quarterly installments in aggregate amounts equal to 0.25% of the original principal amount of the Tranche B-2 Loans, with the balance payable at maturity, and will bear interest at a rate, at the Company’s election, equal to (i) LIBOR (subject to a floor of 1.00%) plus a margin of 3.25% or (ii) a base rate plus a margin of 2.25%.

Amendment No. 2 also provides for a 1% prepayment premium applicable in the event that the Company enters into a refinancing of, or amendment in respect of, the Tranche B-2 Loans on or prior to the first anniversary of the effective date of Amendment No. 2, or March 19, 2016, that, in either case, results in the all-in yield (including, for purposes of such determination, the applicable interest rate, margin, original issue discount, upfront fees and interest rate floors, but excluding any customary arrangement, structuring, commitment or underwriting fees) of such refinancing or amendment being less than the all-in yield (determined on the same basis) on the Tranche B-2 Loans.

Additionally, Amendment No. 2 amends the Term Loan Credit Agreement by (i) removing the maximum senior secured leverage ratio test, (ii) modifying the accordion feature, as described in the Term Loan Credit Agreement, to provide for a senior secured incremental term loan facility in an aggregate amount not to exceed the greater of (A) $75 million (less the aggregate amount of (1) any increases in the maximum revolver amount under the Company's existing Credit Agreement and (2) certain permitted indebtedness incurred for the purpose of prepaying or repurchasing the Convertible Notes) and (B) an amount such that the senior secured leverage ratio would not be greater than 3.0 to 1.0, subject to certain conditions, including obtaining commitments from any one or more lenders, whether or not currently party to the Term Loan Credit Agreement, to provide such increased amounts. The senior secured leverage ratio is defined in the Term Loan Credit Agreement and reflects a ratio of consolidated net total secured indebtedness to consolidated EBITDA and (iii) amending certain negative covenants.

The Term Loan Credit Agreement, as amended, is guaranteed by the Term Guarantors and is secured by (i) first-priority liens on and security interests in the Term Priority Collateral, and (ii) second-priority security interests in the Revolver Priority Collateral. In addition, the Term Loan Credit Agreement, as amended, contains customary covenants limiting the Company's ability to, among other things, pay cash dividends, incur debt or liens, redeem or repurchase stock, enter into transactions with affiliates, merge, dissolve, pay off subordinated indebtedness, make investments and dispose of assets.

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Subject to the terms of the Intercreditor Agreement, if the covenants under the Term Loan Credit Agreement, as amended, are breached, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding and foreclose on collateral. Other customary events of default in the Term Loan Credit Agreement, as amended, include, without limitation, failure to pay obligations when due, initiation of insolvency proceedings, defaults on certain other indebtedness, and the incurrence of certain judgments that are not stayed, satisfied, bonded or discharged within 60 days.

During the second quarter of 2015 and in connection with the $13.1 million sale of the Company’s former Retail branch real estate in Fontana, California and Portland, Oregon, the Company was required, under the Term Loan Agreement, to reinvest amounts up to $10.0 million for qualified assets within 12 months of the sale. Further, a mandatory principal payment was required for asset sales greater than $10.0 million, with the amount of the required payment equal to the excess above $10.0 million, or $3.1 million. However, the lenders party to the Term Loan Credit Agreement approved a waiver providing the Company the opportunity to use the excess proceeds to exercise a purchase option on a capital lease obligation for one of the Company’s existing manufacturing facilities, and the Company exercised the option on July 10, 2015. As of December 31, 2015 all requirements related to the restrictions on use of the excess proceeds have been satisfied.

For the years ended December 31, 2015, 2014 and 2013, under the Term Loan Credit Agreement the Company paid interest of $8.5 million, $10.0 million and $14.9 million, respectively, and principal of $1.4 million, $42.1 million and $62.8 million, respectively. As of December 31, 2015, the Company had $191.4 million outstanding under the Term Loan Credit Agreement, of which $1.9 million was classified as current on the Company’s Consolidated Balance Sheet as a result of Amendment No. 2 of the Term Loan Credit Agreement which requires a mandatory 1% per year principal payment.

For the years ended December 31, 2015, 2014 and 2013, the Company charged $0.2 million, $0.9 million and $0.9 million, respectively, of amortization for original issuance discount fees as *Interest Expense* in the Consolidated Statements of Operations. For the year ended December 31, 2015 the Company charged $5.3 million of accelerated amortization and related fees in connection with Amendment No. 2 included in *Other, net* in the Consolidated Statements of Operations. Additionally, in connection with Amendment No. 2 of the Term Loan Credit Agreement, the Company paid a total of $0.9 million in original issuance discount fees which are being amortized over the life of the amended Term Loan Credit Agreement using the effective interest rate method.

Other Debt Facilities

In November 2012, the Company entered into a loan agreement with GE Government Finance, Inc., as lender and the County of Trigg, Kentucky as issuer for a $2.5 million Industrial Revenue Bond. The funds received were used to purchase the equipment needed for the expansion of the Company’s Cadiz, Kentucky facility. The loan bears interest at

a rate of 4.25% and matures in March 2018. As of December 31, 2015, the Company had $1.1 million outstanding of which $0.5 million was classified as current on the Consolidated Balance Sheet.

6. FAIR VALUE MEASUREMENTS

The Company's fair value measurements are based upon a three-level valuation hierarchy. These valuation techniques are based upon the transparency of inputs (observable and unobservable) to the valuation of an asset or liability as of the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1 — Valuation is based on quoted prices for identical assets or liabilities in active markets;

- Level 2 — Valuation is based on quoted prices for similar assets or liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for the full term of the financial instrument; and

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· Level 3 — Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

Recurring Fair Value Measurements

The Company maintains a non-qualified deferred compensation plan which is offered to senior management and other key employees. The amount owed to participants is an unfunded and unsecured general obligation of the Company. Participants are offered various investment options with which to invest the amount owed to them, and the plan administrator maintains a record of the liability owed to participants by investment. To minimize the impact of the change in market value of this liability, the Company has elected to purchase a separate portfolio of investments through the plan administrator similar to those chosen by the participant.

The investments purchased by the Company (asset) as of December 31, 2015, include mutual funds, $1.1 million of which are classified as Level 1, and life-insurance contracts valued based on the performance of underlying mutual funds, $8.4 million of which are classified as Level 2, as compared to $0.4 million and $7.4 million for mutual funds and life insurance contracts at December 31, 2014, respectively.

Nonrecurring Fair Value Measurements

Certain nonfinancial assets and liabilities are measured at fair value on a nonrecurring basis and are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment.

The Company reviews for goodwill impairment annually and whenever events or changes in circumstances indicate its carrying value may not be recoverable. The fair value of the reporting units is determined using the income approach. The income approach focuses on the income-producing capability of an asset, measuring the current value of the asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, corporate tax structure and product offerings. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation and risks associated with the reporting unit. These assets would generally be classified within Level 3, in the event that the Company were required to measure and record such assets at fair value within its consolidated financial statements.

The Company periodically evaluates the carrying value of long-lived assets to be held and used, including definite-lived intangible assets and property plant and equipment, when events or circumstances warrant such a review. Fair value is determined primarily using anticipated cash flows assumed by a market participant discounted at

a rate commensurate with the risk involved and these assets would generally be classified within Level 3, in the event that the Company were required to measure and record such assets at fair value within its consolidated financial statements.

Assets and liabilities acquired in business combinations are recorded at their fair value as of the date of acquisition.

The carrying amounts of accounts receivable and accounts payable reported in the Consolidated Balance Sheets approximate fair value.

Estimated Fair Value of Debt

The estimated fair value of long-term debt at December 31, 2015 consists primarily of the Notes and borrowings under its Term Loan Credit Agreement, as amended (see Note 5). The fair value of the Notes, the Term Loan Credit Agreement, as amended, and the revolving credit facility are based upon third party pricing sources, which generally does not represent daily market activity, nor does it represent data obtained from an exchange, and are classified as Level 2. The interest rates on the Company's borrowings under the revolving credit facility are adjusted regularly to reflect current market rates and thus carrying value approximates fair value for these borrowings. All other debt and capital lease obligations approximate their fair value as determined by discounted cash flows and are classified as Level 3.

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The Company’s carrying and estimated fair value of debt, at December 31, 2015 and 2014 were as follows:

	December 31, 2015				December 31, 2014			
	Carrying	Fair Value			Carrying	Fair Value		
	Value	Level 1	Level 2	Level 3	Value	Level 1	Level 2	Level 3
Instrument								
Convertible senior notes	$121,268	$-	$155,694	$-	$134,601	$-	$188,490	$-
Term loan credit agreement	190,535	-	190,442	-	189,027	-	192,845	-
Industrial revenue bond	1,149	-	-	1,149	1,645	-	-	1,645
Capital lease obligations	2,681	-	-	2,681	7,254	-	-	7,254
	$315,633	$-	$346,136	$3,830	$332,527	$-	$381,335	$8,899

7. STOCKHOLDERS’ EQUITY

a. Common and Preferred Stock

On December 18, 2014, the Company’s Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to $60 million of its common stock over a two year period. Stock repurchases under this program may be made in open market or in private transactions at times and in amounts that management deems appropriate. As of December 31, 2015, total shares repurchased under this program reached the $60 million limit and, therefore, exhausted the full authority of the authorized program.

On February 1, 2016, the Company’s Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to $100 million of its common stock over a two year period. Stock repurchases under this program may be made in open market or in private transactions at times and in amounts that management deems appropriate.

The Board of Directors has the authority to issue common and unclassed preferred stock of up to 200 million shares and 25 million shares, respectively, with par value of $0.01 per share as well as to fix dividends, voting and conversion rights, redemption provisions, liquidation preferences and other rights and restrictions.

Effective March 30, 2015, the Company eliminated a series of preferred stock previously designated as Series D Junior Participating Preferred Stock.

b. Stockholders' Rights Plan

The Company's Stockholders' Rights Plan (the "Rights Plan") was designed to deter coercive or unfair takeover tactics in the event of an unsolicited takeover attempt. It was not intended to prevent a takeover on terms that were favorable and fair to all stockholders and would not interfere with a merger approved by our board of directors. Each right entitled stockholders to buy one one-thousandth of a share of Series D Junior Participating Preferred Stock at an exercise price of $120. The rights would be exercisable only if a person or a group acquired or announced a tender or exchange offer to acquire 20% or more of our common stock or if we entered into other business combination transactions not approved by our board of directors. In the event the rights became exercisable, the Rights Plan allowed for our stockholders to acquire our stock or the stock of the surviving corporation, whether or not we are the surviving corporation, having a value twice that of the exercise price of the rights. Effective March 30, 2015, the Company executed an amendment to its Rights Plan. Pursuant to the amendment, the Final Expiration Date (as defined in the Rights Plan) was advanced from December 28, 2015 to March 30, 2015. As a result of the Amendment, effective with the close of business on March 30, 2015, the rights (as defined in the Rights Plan and outlined above) expired and were no longer outstanding and the Rights Plan terminated by its terms.

8. STOCK-BASED COMPENSATION

In May 2011, the Company adopted and shareholders approved the 2011 Omnibus Incentive Plan (the "Omnibus Plan"). This plan provides for the issuance of stock options, restricted stock, stock appreciation rights and performance units to directors, officers and other eligible employees of the Company. The Omnibus Plan makes available approximately 7.5 million shares for issuance, subject to adjustments for stock dividends, recapitalizations and the like.

The Company recognizes all share-based awards to eligible employees based upon their fair value. The Company's policy is to recognize expense for awards that have service conditions only subject to graded vesting using the straight-line attribution method. Total stock-based compensation expense was $10.0 million, $7.8 million and $7.5 million in 2015, 2014 and 2013, respectively. The amount of compensation costs related to nonvested stock options and restricted stock not yet recognized was $12.0 million at December 31, 2015, for which the weighted average remaining life was 1.8 years.

Stock Options

Stock options are awarded with an exercise price equal to the market price of the underlying stock on the date of grant, become fully exercisable three years after the date of grant and expire ten years after the date of grant. The fair value of stock option awards is estimated on the date of grant using a binomial option-pricing model that uses the assumptions noted in the following table:

Valuation Assumptions	2015	2014	2013
Risk-free interest rate	2.14 %	2.73 %	2.02 %
Expected volatility	72.5 %	72.0 %	75.3 %
Expected dividend yield	0.00 %	0.00 %	0.00 %
Expected term	5 yrs.	5 yrs.	5 yrs.

The expected volatility is based upon the Company's historical experience. The expected term represents the period of time that options granted are expected to be outstanding. The risk-free interest rate utilized for periods throughout the contractual life of the options are based on U.S. Treasury security yields at the time of grant.

A summary of all stock option activity during 2015 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value ($ in millions)
Options Outstanding at December 31, 2014	1,909,456	$ 11.79	5.5	$ 3.3
Granted	190,810	$ 14.16		
Exercised	(186,622)	$ 10.78		
Forfeited	(9,656)	$ 12.16		
Expired	(83,032)	$ 23.55		

Options Outstanding at December 31, 2015	1,820,956	$ 11.61	5.2	$ 2.3
Options Exercisable at December 31, 2015	1,398,229	$ 11.25	4.3	$ 2.1

During 2015, 2014 and 2013, the Company granted 190,810, 200,720, and 361,220 stock options with aggregate fair values on the date of grant of $1.7 million, $1.7 million and $2.2 million, respectively. The weighted average estimated fair value of the stock options granted in 2015, 2014 and 2013 were $8.82, $8.34 and $6.13 per stock option, respectively. The total intrinsic value of stock options exercised during 2015, 2014 and 2013 was $0.6 million, $0.7 million and $0.3 million, respectively.

Restricted Stock

Restricted stock awards vest over a period of one to three years and may be based on the achievement of specific financial performance metrics. These shares are valued at the market price on the date of grant, are forfeitable in the event of terminated employment prior to vesting and could include the right to vote and receive dividends.

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A summary of all restricted stock activity during 2015 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Restricted Stock Outstanding at December 31, 2014	1,288,769	$ 11.70
Granted	667,126	$ 14.84
Vested	(396,389)	$ 10.84
Forfeited	(21,390)	$ 13.44
Restricted Stock Outstanding at December 31, 2015	1,538,116	$ 13.25

During 2015, 2014 and 2013, the Company granted 667,126, 572,052 and 521,181 shares of restricted stock, respectively, with aggregate fair values on the date of grant of $9.9 million, $7.9 million and $5.0 million, respectively. The total fair value of restricted stock that vested during 2015, 2014 and 2013 was $5.6 million, $5.2 million and $0.6 million, respectively.

Cash-Settled Performance Units and Stock Appreciation Rights

In March 2010, the Company awarded eligible employees 326,250 cash-settled stock appreciation rights and 434,661 cash-settled performance units. The stock appreciation rights vested in March 2013 and provided each participant with the right to receive payment in cash representing the appreciation in the market value of the Company's common stock from the grant date to the award's vesting date. The per share exercise price of a stock appreciation right is equal to the closing market price of the Company's stock on the date of grant. As of December 31, 2013, all stock appreciation rights awarded by the Company were fully vested. The total fair value of cash-settled stock appreciation rights that vested in 2013 was $0.8 million. The performance units vested in March 2013 and provided each participant with the right to receive payments in cash for the lesser of the market value of the Company's stock on the date of grant or the vesting date. As of December 31, 2013, all cash-settled performance units awarded by the Company were fully vested. The total fair value of cash-settled performance units that vested in 2013 was $3.0 million. The number of performance units actually awarded to eligible employees was based on the achievement of specific financial performance metrics.

9. EMPLOYEE SAVINGS PLANS

Substantially all of the Company's employees are eligible to participate in a defined contribution plan under Section 401(k) of the Internal Revenue Code. The Company also provides a non-qualified defined contribution plan for senior management and certain key employees. Both plans provide for the Company to match, in cash, a percentage of each

employee's contributions up to certain limits. The Company's matching contribution and related expense for these plans was approximately $7.2 million, $5.7 million, and $4.9 million for 2015, 2014, and 2013, respectively.

10. INCOME TAXES

a. Income Before Income Taxes

The consolidated income (loss) before income taxes for 2015, 2014 and 2013 consists of the following (in thousands):

	2015	2014	2013
Domestic	$163,325	$98,246	$77,465
Foreign	(14)	216	158
Total income before income taxes	$163,311	$98,462	$77,623

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b. *Income Tax Expense*

The consolidated income tax expense for 2015, 2014 and 2013 consists of the following components (in thousands):

	2015	2014	2013
Current			
Federal	$58,090	$19,036	$158
State	8,627	1,805	717
Foreign	54	118	130
	$66,771	$20,959	$1,005
Deferred			
Federal	$(7,930)	$12,913	$26,792
State	288	3,778	3,412
Foreign	(107)	(118)	(115)
	$(7,749)	$16,573	$30,089
Total consolidated expense	$59,022	$37,532	$31,094

The following table provides a reconciliation of differences from the U.S. Federal statutory rate of 35% as follows (in thousands):

	2015	2014	2013
Pretax book income	$163,311	$98,462	$77,623
Federal tax expense at 35% statutory rate	57,159	34,462	27,168
State and local income taxes	6,190	4,808	3,870
Benefit of domestic production deduction	(5,255)	(2,010)	-
Other	928	272	56
Total income tax expense	$59,022	$37,532	$31,094

c. Deferred Taxes

The Company’s deferred income taxes are primarily due to temporary differences between financial and income tax reporting for the depreciation of property, plant and equipment, amortization of intangibles, compensation adjustments, inventory adjustments, other accrued liabilities and tax losses carried forward.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Companies are required to assess whether valuation allowances should be established against their deferred tax assets based on the consideration of all available evidence, both positive and negative, using a "more likely than not" standard. In making such judgments, significant weight is given to evidence that can be objectively verified.

The Company assesses, on a quarterly basis, the realizability of its deferred tax assets by evaluating all available evidence, both positive and negative, including: (1) the cumulative results of operations in recent years, (2) the nature of recent losses, if applicable, (3) estimates of future taxable income, (4) the length of operating loss carryforward ("NOLs") periods and (5) the uncertainty associated with a possible change in ownership, which imposes an annual limitation on the use of these carryforwards.

As of December 31, 2015 and 2014, the Company retained a valuation allowance of $1.2 and $1.3 million, respectively, against deferred tax assets related to various state and local NOLs that are subject to restrictive rules for future utilization.

As of December 31, 2015, the Company has no U.S. federal tax NOLs. The Company has various multistate income tax NOLs, which have been recorded as a deferred income tax asset, of approximately $2.5 million, before valuation allowances. These NOLs will expire beginning in 2016, if unused.

The components of deferred tax assets and deferred tax liabilities as of December 31, 2015 and 2014 were as follows (in thousands):

	2015	2014
Deferred tax assets		
Tax credits and loss carryforwards	$563	$2,550
Accrued liabilities	9,211	6,882
Incentive compensation	24,682	19,333
Other	3,909	3,389
	$38,365	$32,154
Deferred tax liabilities		
Property, plant and equipment	(4,000)	(2,858)
Intangibles	(5,325)	(5,565)
Prepaid assets	(697)	(638)
Convertible note discount	(3,234)	(5,117)
Other	(1,658)	(2,025)
	$(14,914)	$(16,203)
Net deferred tax asset before valuation allowances and reserves	$23,451	$15,951
Valuation allowances	(1,159)	(1,307)
Net deferred tax asset	$22,292	$14,644

d. Tax Reserves

The Company's policy with respect to interest and penalties associated with reserves or allowances for uncertain tax positions is to classify such interest and penalties in income tax expense in the Statements of Operations. As of December 31, 2015 and 2014, the total amount of unrecognized income tax benefits was approximately $11.7 million and $11.0 million, respectively, all of which, if recognized, would impact the effective income tax rate of the Company. As of December 31, 2015 and 2014, the Company had recorded a total of $1.1 and $0.3 million, respectively of accrued interest and penalties related to uncertain tax positions. The Company foresees no significant changes to the facts and circumstances underlying its reserves and allowances for uncertain income tax positions as reasonably possible during the next 12 months. As of December 31, 2015, the Company is subject to unexpired statutes of limitation for U.S. federal income taxes for the years 2003 through 2015. The Company is also subject to unexpired statutes of limitation for Indiana state income taxes for the years 2003 through 2015.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands) and all balances as of December 31, 2015 are included in either *Other Noncurrent Liabilities* or *Current Deferred Income Taxes* in the Company's Consolidated Balance Sheet:

Balance at January 1, 2014	$10,971
Decrease in prior year tax positions	(323)
Balance at December 31, 2014	$10,648
Decrease in prior year tax positions	(23)
Balance at December 31, 2015	$10,625

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11. COMMITMENTS AND CONTINGENCIES

a. Litigation

The Company is involved in a number of legal proceedings concerning matters arising in connection with the conduct of its business activities, and is periodically subject to governmental examinations (including by regulatory and tax authorities), and information gathering requests (collectively, "governmental examinations"). As of December 31, 2015, the Company was named as a defendant or was otherwise involved in numerous legal proceedings and governmental examinations in various jurisdictions, both in the United States and internationally.

The Company has recorded liabilities for certain of its outstanding legal proceedings and governmental examinations. A liability is accrued when it is both (a) probable that a loss with respect to the legal proceeding has occurred and (b) the amount of loss can be reasonably estimated. The Company evaluates, on a quarterly basis, developments in legal proceedings and governmental examinations that could cause an increase or decrease in the amount of the liability that has been previously accrued. These legal proceedings, as well as governmental examinations, involve various lines of business of the Company and a variety of claims (including, but not limited to, common law tort, contract, antitrust and consumer protection claims), some of which present novel factual allegations and/or unique legal theories. While some matters pending against the Company specify the damages claimed by the plaintiff, many seek a not-yet-quantified amount of damages or are at very early stages of the legal process. Even when the amount of damages claimed against the Company are stated, the claimed amount may be exaggerated and/or unsupported. As a result, it is not currently possible to estimate a range of possible loss beyond previously accrued liabilities relating to some matters including those described below. Such previously accrued liabilities may not represent the Company's maximum loss exposure. The legal proceedings and governmental examinations underlying the estimated range will change from time to time and actual results may vary significantly from the currently accrued liabilities.

Based on its current knowledge, and taking into consideration its litigation-related liabilities, the Company believes it is not a party to, nor are any of its properties the subject of, any pending legal proceeding or governmental examination other than the matters below, which are addressed individually, that would have a material adverse effect on the Company's consolidated financial condition or liquidity if determined in a manner adverse to the Company. However, in light of the uncertainties involved in such matters, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other factors, the size of the loss or liability imposed and the level of the Company's income for that period. Costs associated with the litigation and settlements of legal matters are reported within *General and Administrative Expenses* in the Consolidated Statements of Operations.

Brazil Joint Venture

In March 2001, Bernard Krone Indústria e Comércio de Máquinas Agrícolas Ltda. (“BK”) filed suit against the Company in the Fourth Civil Court of Curitiba in the State of Paraná, Brazil. Because of the bankruptcy of BK, this proceeding is now pending before the Second Civil Court of Bankruptcies and Creditors Reorganization of Curitiba, State of Paraná (No. 232/99).

The case grows out of a joint venture agreement between BK and the Company related to marketing of RoadRailer trailers in Brazil and other areas of South America. When BK was placed into the Brazilian equivalent of bankruptcy late in 2000, the joint venture was dissolved. BK subsequently filed its lawsuit against the Company alleging that it was forced to terminate business with other companies because of the exclusivity and non-compete clauses purportedly found in the joint venture agreement. BK asserted damages, exclusive of any potentially court-imposed interest or inflation adjustments, of approximately R$20.8 million (Brazilian Reais). BK did not change the amount of damages it asserted following its filing of the case in 2001.

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A bench (non-jury) trial was held on March 30, 2010 in Curitiba, Paraná, Brazil. On November 22, 2011, the Fourth Civil Court of Curitiba partially granted BK's claims, and ordered Wabash to pay BK lost profits, compensatory, economic and moral damages in excess of the amount of compensatory damages asserted by BK. The total ordered damages amount is approximately R$26.7 million (Brazilian Reais), which is approximately $6.9 million U.S. dollars using current exchange rates and exclusive of any potentially court-imposed interest, fees or inflation adjustments (which are currently estimated at a maximum of approximately $48 million, at current exchange rates, but may change with the passage of time and/or the discretion of the court at the time of final judgment in this matter). Due, in part, to the amount and type of damages awarded by the Fourth Civil Court of Curitiba, Wabash immediately filed for clarification of the judgment. The Fourth Civil Court has issued its clarification of judgment, leaving the underlying decision unchanged and referring the parties to the State of Paraná Court of Appeals for any further appeal of the decision. As such, the Company filed its notice of appeal with the Court of Appeals, as well as its initial appeal papers, on April 22, 2013. The Court of Appeals has the authority to re-hear all facts presented to the lower court, as well as to reconsider the legal questions presented in the case, and to render a new judgment in the case without regard to the lower court's findings. Pending outcome of this appeal process, the judgment is not enforceable by the plaintiff. Any ruling from the Court of Appeals is not expected before the second quarter of 2016, at the earliest, and, accordingly, the judgment rendered by the lower court cannot be enforced prior to that time, and may be overturned or reduced as a result of this process. The Company believes that the claims asserted by BK are without merit and it intends to continue to vigorously defend its position. The Company has not recorded a charge with respect to this loss contingency as of December 31, 2015. Furthermore, at this time, the Company does not have sufficient information to predict the ultimate outcome of the case and is unable to reasonably estimate the amount of any possible loss or range of loss that it may be required to pay at the conclusion of the case. The Company will reassess the need for the recognition of a loss contingency upon official assignment of the case in the Court of Appeals, upon a decision to settle this case with the plaintiffs or an internal decision as to an amount that the Company would be willing to settle or upon the outcome of the appeals process.

Intellectual Property

In October 2006, the Company filed a patent infringement suit against Vanguard National Corporation ("Vanguard") regarding the Company's U.S. Patent Nos. 6,986,546 and 6,220,651 in the U.S. District Court for the Northern District of Indiana (Civil Action No. 4:06-cv-135). The Company amended the Complaint in April 2007. In May 2007, Vanguard filed its Answer to the Amended Complaint, along with Counterclaims seeking findings of non-infringement, invalidity, and unenforceability of the subject patents. The Company filed a reply to Vanguard's counterclaims in May 2007, denying any wrongdoing or merit to the allegations as set forth in the counterclaims. The case has currently been stayed by agreement of the parties while the U.S. Patent and Trademark Office ("Patent Office") undertakes a reexamination of U.S. Patent Nos. 6,986,546. In June 2010, the Patent Office notified the Company that the reexamination is complete and the Patent Office has reissued U.S. Patent No. 6,986,546 without cancelling any claims of the patent. The parties have not yet petitioned the Court to lift the stay, and it is unknown at this time when the parties' petition to lift the stay may be filed or granted.

The Company believes that its claims against Vanguard have merit and that the claims asserted by Vanguard are without merit. The Company intends to vigorously defend its position and intellectual property. The Company does

not believe that the resolution of this lawsuit will have a material adverse effect on its financial position, liquidity or future results of operations. However, at this stage of the proceeding, no assurance can be given as to the ultimate outcome of the case.

Walker Acquisition

In connection with the Company's acquisition of Walker in May 2012, there is an outstanding claim of approximately $2.9 million for unpaid benefits that is currently in dispute and that is not expected to have a material adverse effect on the Company's financial condition or results of operations.

Environmental Disputes

In August 2014, the Company was noticed as a potentially responsible party ("PRP") by the South Carolina Department of Health and Environmental Control ("DHEC") pertaining to the Philip Services Site located in Rock Hill, South Carolina pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and corresponding South Carolina statutes. PRPs include parties identified through manifest records as having contributed to deliveries of hazardous substances to the Philip Services Site between 1979 and 1999. The DHEC's allegation that the Company was a PRP arises out of four manifest entries in 1989 under the name of a company unaffiliated with Wabash National (or any of its former or current subsidiaries) that purport to be delivering a de minimis amount of hazardous waste to the Philip Services Site "c/o Wabash National Corporation." As such, the Philip Services Site PRP Group ("PRP Group") notified Wabash in August 2014 that is was offering the Company the opportunity to resolve any liabilities associated with the Philip Services Site by entering into a Cash Out and Reopener Settlement Agreement (the "Settlement Agreement") with the PRP Group, as well as a Consent Decree with the DHEC. The Company has accepted the offer from the PRP Group to enter into the Settlement Agreement and Consent Decree, while reserving its rights to contest its liability for any deliveries of hazardous materials to the Philips Services Site. The requested settlement payment is immaterial to the Company's financial conditions or operations, and as a result, if the Settlement Agreement and Consent Decree are finalized, the payment to be made by the Company thereunder is not expected to have a material adverse effect on the Company's financial condition or results of operations.

Bulk Tank International, S. de R.L. de C.V. (“Bulk”) entered into agreements in 2011 with the Mexican federal environmental agency, PROFEPA, and the applicable state environmental agency, PROPAEG, pursuant to PROFEPA’s and PROPAEG’s respective environmental audit programs to resolve noncompliance with federal and state environmental laws at Bulk’s Guanajuato facility. Bulk completed all required corrective actions and received a Certification of Clean Industry from PROPAEG, and is seeking the same certification from PROFEPA, which the Company expects it will receive by early 2016, following the conclusion of a final audit process that commenced in December 2014. As a result, the Company does not expect that this matter will have a material adverse effect on its financial condition or results of operations.

In January 2012, the Company was noticed as a PRP by the U.S. Environmental Protection Agency (“EPA”) and the Louisiana Department of Environmental Quality (“LDEQ”) pertaining to the Marine Shale Processors Site located in Amelia, Louisiana (“MSP Site”) pursuant to CERCLA and corresponding Louisiana statutes. PRPs include current and former owners and operators of facilities at which hazardous substances were allegedly disposed. The EPA’s allegation that the Company is a PRP arises out of one alleged shipment of waste to the MSP Site in 1992 from the Company’s branch facility in Dallas, Texas. As such, the MSP Site PRP Group notified the Company in January 2012 that, as a result of a March 18, 2009 Cooperative Agreement for Site Investigation and Remediation entered into between the MSP Site PRP Group and the LDEQ, the Company was being offered a “De Minimis Cash-Out Settlement” to contribute to the remediation costs, which would remain open until February 29, 2012. The Company chose not to enter into the settlement and has denied any liability. In addition, the Company has requested that the MSP Site PRP Group remove the Company from the list of PRPs for the MSP Site, based upon the following facts: the Company acquired this branch facility in 1997 – five years after the alleged shipment - as part of the assets the Company acquired out of the Fruehauf Trailer Corporation (“Fruehauf”) bankruptcy (Case No. 96-1563, United States Bankruptcy Court, District of Delaware (“Bankruptcy Court”)); as part of the Asset Purchase Agreement regarding the Company’s purchase of assets from Fruehauf, the Company did not assume liability for “Off-Site Environmental Liabilities,” which are defined to include any environmental claims arising out of the treatment, storage, disposal or other disposition of any Hazardous Substance at any location other than any of the acquired locations/assets; the Bankruptcy Court, in an Order dated May 26, 1999, also provided that, except for those certain specified liabilities assumed by the Company under the terms of the Asset Purchase Agreement, the Company and its subsidiaries shall not be subject to claims asserting successor liability; and the “no successor liability” language of the Asset Purchase Agreement and the Bankruptcy Court Order form the basis for the Company’s request that it be removed from the list of PRPs for the MSP Site. The MSP Site PRP Group is currently considering the Company’s request, but has provided no timeline to the Company for a response. However, the MSP Site PRP Group has agreed to indefinitely extend the time period by which the Company must respond to the De Minimis Cash-Out Settlement offer. The Company does not expect that this proceeding will have a material adverse effect on its financial condition or results of operations.

In September 2003, the Company was noticed as a PRP by the EPA pertaining to the Motorola 52nd Street, Phoenix, Arizona Superfund Site (the “Superfund Site”) pursuant to CERCLA. The EPA’s allegation that the Company was a PRP arises out of the Company’s acquisition of a former branch facility located approximately five miles from the original Superfund Site. The Company acquired this facility in 1997, operated the facility until 2000, and sold the facility to a third party in 2002. In June 2010, the Company was contacted by the Roosevelt Irrigation District (“RID”) informing it that the Arizona Department of Environmental Quality (“ADEQ”) had approved a remediation plan in excess of $100 million for the RID portion of the Superfund Site, and demanded that the Company contribute to the cost of the plan or be named as a defendant in a CERCLA action to be filed in July 2010. The Company initiated settlement

discussions with the RID and the ADEQ in July 2010 to provide a full release from the RID, and a covenant not-to-sue and contribution protection regarding the former branch property from the ADEQ, in exchange for payment from the Company. If the settlement is approved by all parties, it will prevent any third party from successfully bringing claims against the Company for environmental contamination relating to this former branch property. The Company has been awaiting approval from the ADEQ since the settlement was first proposed in July 2010. In December 2015, we received tentative approval of our settlement offer from the ADEQ, and are now awaiting concurring approval from the RID. Based on communications with the RID and ADEQ in December 2015, we do not expect to receive a response regarding the approval of the settlement from the RID for, at least, several additional months. Based upon the Company’s limited period of ownership of the former branch property, and the fact that it no longer owns the former branch property, it does not anticipate that the RID will reject the proposed settlement, but no assurance can be given at this time as to the RID’s response to the settlement proposal tentatively approved by the ADEQ. The proposed settlement terms have been accrued and did not have a material adverse effect on the Company’s financial condition or results of operations, and the Company believes that any ongoing proceedings will not have a material adverse effect on the Company’s financial condition or results of operations.

In January 2006, the Company received a letter from the North Carolina Department of Environment and Natural Resources indicating that a site that the Company formerly owned near Charlotte, North Carolina has been included on the state's October 2005 Inactive Hazardous Waste Sites Priority List. The letter states that the Company was being notified in fulfillment of the state's "statutory duty" to notify those who own and those who at present are known to be responsible for each Site on the Priority List. Following receipt of this notice, no action has ever been requested from the Company, and since 2006 the Company has not received any further communications regarding this matter from the state of North Carolina. The Company does not expect that this designation will have a material adverse effect on its financial condition or results of operations.

b. Environmental Litigation Commitments and Contingencies

The Company generates and handles certain material, wastes and emissions in the normal course of operations that are subject to various and evolving federal, state and local environmental laws and regulations.

The Company assesses its environmental liabilities on an on-going basis by evaluating currently available facts, existing technology, presently enacted laws and regulations as well as experience in past treatment and remediation efforts. Based on these evaluations, the Company estimates a lower and upper range for treatment and remediation efforts and recognizes a liability for such probable costs based on the information available at the time. As of December 31, 2015, in addition to a reserve of $0.2 million relating to the ADEQ proposed settlement discussed above, the Company had reserved estimated remediation costs of $0.5 million for activities at existing and former properties which are recorded within *Other Accrued Liabilities* in the Consolidated Balance Sheet.

c. Letters of Credit

As of December 31, 2015, the Company had standby letters of credit totaling $6.0 million issued in connection with workers compensation claims and surety bonds.

d. Purchase Commitments

The Company has $72.4 million in purchase commitments through March 2017 for various raw material commodities, including aluminum, steel and nickel as well as other raw material components which are within normal production requirements.

12. SEGMENTS AND RELATED INFORMATION

a. *Segment Reporting*

The Company manages its business in three segments: Commercial Trailer Products, Diversified Products and Retail. The Commercial Trailer Products segment produces and sells new trailers to the Retail segment and to customers who purchase trailers directly from the Company or through independent dealers. The Diversified Products segment focuses on the Company’s commitment to expand its customer base, diversify its product offerings and revenues and extend its market leadership by leveraging its proprietary DuraPlate® panel technology, drawing on its core manufacturing expertise and making available products that are complementary to truck and tank trailers and transportation equipment. The Retail segment includes the sale of new and used trailers, as well as the sale of after-market parts and service, through its retail branch network.

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The accounting policies of the segments are the same as those described in the summary of significant accounting policies except that the Company evaluates segment performance based on income from operations. The Company has not allocated certain corporate related administrative costs, interest and income taxes included in the corporate and eliminations segment to the Company's other reportable segment. The Company accounts for intersegment sales and transfers at cost plus a specified mark-up. The Company manages its assets and capital spending on a consolidated basis, not by operating segment, as the assets and capital spending of the Diversified Products segment are intermixed with those of the Commercial Trailer Products segment. Therefore, our chief operating decision maker does not review any asset or capital spending information by operating segment and, accordingly, we do not report asset or capital spending information by operating segment. Reportable segment information is as follows (in thousands):

	Commercial Trailer Products	Diversified Products	Retail	Corporate and Eliminations	Consolidated
2015					
Net sales					
External customers	$ 1,446,113	$ 415,093	$ 166,283	$ -	$ 2,027,489
Intersegment sales	63,267	12,928	1,008	(77,203)	$ -
Total net sales	$ 1,509,380	$ 428,021	$ 167,291	$ (77,203)	$ 2,027,489
Depreciation and amortization	11,574	22,853	2,136	1,435	37,998
Income (Loss) from operations	158,805	47,940	4,401	(30,777)	180,369
Reconciling items to net income					
Interest expense					19,548
Other, net					(2,490)
Income tax expense					59,022
Net income					$ 104,289
2014					
Net sales					
External customers	$ 1,221,040	$ 453,160	$ 189,115	$ -	$ 1,863,315
Intersegment sales	73,124	13,078	965	(87,167)	$ -
Total net sales	$ 1,294,164	$ 466,238	$ 190,080	$ (87,167)	$ 1,863,315
Depreciation and amortization	11,332	23,806	2,061	1,630	38,829
Income (Loss) from operations	81,141	54,879	3,785	(17,419)	122,386
Reconciling items to net income					
Interest expense					22,165
Other, net					1,759
Income tax expense					37,532
Net income					$ 60,930
2013					
Net sales					
External customers	$ 1,010,736	$ 444,804	$ 180,146	$ -	$ 1,635,686
Intersegment sales	71,720	13,849	1,340	(86,909)	$ -
Total net sales	$ 1,082,456	$ 458,653	$ 181,486	$ (86,909)	$ 1,635,686

Depreciation and amortization	11,127	23,320	2,029	1,860	38,336
Income (Loss) from operations	57,543	59,126	2,885	(16,363)	103,191
Reconciling items to net income					
Interest expense					26,308
Other, net					(740)
Income tax expense					31,094
Net income					$ 46,529

b. *Customer Concentration*

The Company is subject to a concentration of risk as the five largest customers together accounted for approximately 25%, 20% and 17% of the Company's aggregate net sales in 2015, 2014 and 2013, respectively. In addition, for each of the last three years there were no customers whose revenue individually represented 10% or more of our aggregate net sales. International sales, primarily to Canadian customers, accounted for less than 10% in each of the last three years.

c. Product Information

The Company offers products primarily in four general categories: (1) new trailers, (2) used trailers, (3) components, parts and service and (4) equipment and other. The following table sets forth the major product categories and their percentage of consolidated net sales (dollars in thousands):

Year ended December 31, 2015	Commercial Trailer Products $	Diversified Products $	Retail $	Eliminations $	Consolidated $	%
New trailers	1,467,029	218,028	67,639	(60,467)	1,692,229	83.5
Used trailers	19,962	4,558	13,622	(2,562)	35,580	1.8
Components, parts and service	6,300	93,251	83,115	(14,116)	168,550	8.3
Equipment and other	16,089	112,184	2,915	(58)	131,130	6.4
Total net external sales	1,509,380	428,021	167,291	(77,203)	2,027,489	100.0

2014	Commercial Trailer Products $	Diversified Products $	Retail $	Eliminations $	Consolidated $	%
New trailers	1,250,264	227,382	89,041	(72,862)	1,493,825	73.7
Used trailers	23,576	4,593	16,946	-	45,115	2.2
Components, parts and service	3,475	100,764	80,533	(14,183)	170,589	8.4
Equipment and other	16,849	133,499	3,560	(122)	153,786	15.7
Total net external sales	1,294,164	466,238	190,080	(87,167)	1,863,315	100.0

2013	Commercial Trailer Products $	Diversified Products $	Retail $	Eliminations $	Consolidated $	%
New trailers	1,031,004	204,812	82,995	(71,888)	1,246,923	66.9
Used trailers	33,443	3,158	12,819	(5)	49,415	2.7
Components, parts and service	7,420	106,312	81,405	(14,811)	180,326	9.7
Equipment and other	10,589	144,371	4,267	(205)	159,022	20.7
Total net external sales	1,082,456	458,653	181,486	(86,909)	1,635,686	100.0

13. CONSOLIDATED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations for fiscal years 2015, 2014 and 2013 (dollars in thousands, except per share amounts):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2015				
Net sales	$437,597	$514,831	$531,350	$543,711
Gross profit	57,197	72,405	86,022	87,819
Net income	10,474	28,649	31,880	33,286
Basic net income per share	0.15	0.42	0.48	0.50
Diluted net income per share(1)	0.15	0.41	0.47	0.50
2014				
Net sales	$358,120	$486,021	$491,697	$527,477
Gross profit	46,672	61,613	61,628	62,721
Net income	7,296	16,239	18,307	19,088
Basic net income per share	0.11	0.23	0.26	0.28
Diluted net income per share(1)	0.10	0.23	0.25	0.27
2013				
Net sales	$324,229	$413,126	$439,977	$458,354
Gross profit	42,186	58,853	61,497	52,587
Net income	5,735	14,135	16,236	10,423
Basic net income per share	0.08	0.20	0.24	0.15
Diluted net income per share(1)	0.08	0.20	0.23	0.15

(1) Basic and diluted net income per share is computed independently for each of the quarters presented. Therefore, the sum of the quarterly net income per share may differ from annual net income per share due to rounding.

ITEM 9—CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A—CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance to our management and board of directors that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on an evaluation conducted under the supervision and with the participation of the Company's management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2015, including those procedures described below, we, including our Chief Executive Officer and our Chief Financial Officer, determined that those controls and procedures were effective.

Changes in Internal Controls

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fourth quarter of fiscal 2015 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Report of Management on Internal Control over Financial Reporting

The management of Wabash National Corporation (“the Company”) is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with U.S. generally accepted accounting principles; (3) provide reasonable assurance that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (4) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2015, based on criteria for effective internal control over financial reporting described in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO). Based on this assessment, management has concluded that internal control over financial reporting is effective as of December 31, 2015.

Ernst & Young LLP, an Independent Registered Public Accounting Firm, has audited the Company’s consolidated financial statements as of and for the year ended December 31, 2015, and its report on internal controls over financial reporting as of December 31, 2015 appears on the following page.

Richard J. Giromini President and Chief Executive Officer
Jeffery L. Taylor Senior Vice President and Chief Financial Officer

February 26, 2016

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Wabash National Corporation:

We have audited Wabash National Corporation's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Wabash National Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Wabash National Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria**.**

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Wabash National Corporation as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2015 and our report dated February 26, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Indianapolis, Indiana

February 26, 2016

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ITEM 9B—OTHER INFORMATION

None.

PART III

ITEM 10—EXECUTIVE OFFICERS OF THE REGISTRANT

The Company hereby incorporates by reference the information contained under the heading “Executive Officers of Wabash National Corporation” from Item 1 Part I of this Annual Report.

The Company hereby incorporates by reference the information contained under the headings “Section 16(a) Beneficial Ownership Reporting Compliance” or “Election of Directors” from its definitive Proxy Statement to be delivered to stockholders of the Company and filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report in connection with the 2016 Annual Meeting of Stockholders to be held May 12, 2016.

Code of Ethics

As part of our system of corporate governance, our Board of Directors has adopted a Code of Business Conduct and Ethics (“Code of Ethics”) that is specifically applicable to our Chief Executive Officer and Senior Financial Officers. This Code of Ethics is available within the Corporate Governance section of the Investor Relations page of our website at www.wabashnational.com. We will disclose any waivers for our Chief Executive Officer or Senior Financial Officers under, or any amendments to, our Code of Ethics by posting such information on our website at the address above.

ITEM 11—EXECUTIVE COMPENSATION

The Company hereby incorporates by reference the information contained under the headings “Executive Compensation" and “Director Compensation” from its definitive Proxy Statement to be delivered to the stockholders of

the Company and filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report in connection with the 2016 Annual Meeting of Stockholders to be held May 12, 2016.

ITEM 12—SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The Company hereby incorporates by reference the information contained under the headings "Beneficial Ownership of Common Stock" and "Equity Compensation Plan Information" from its definitive Proxy Statement to be delivered to the stockholders of the Company and filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report in connection with the 2016 Annual Meeting of Stockholders to be held on May 12, 2016.

ITEM 13—CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The Company hereby incorporates by reference the information contained under the headings "Election of Directors" and "Related Persons Transactions Policy" from its definitive Proxy Statement to be delivered to the stockholders of the Company and filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report in connection with the 2016 Annual Meeting of Stockholders to be held on May 12, 2016.

ITEM 14—PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by Item 14 of this form and the audit committee's pre-approval policies and procedures regarding the engagement of the principal accountant are incorporated herein by reference to the information contained under the heading "Ratification of Appointment of Independent Registered Public Accounting Firm" from the Company's definitive Proxy Statement to be delivered to the stockholders of the Company and filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report in connection with the 2016 Annual Meeting of Stockholders to be held on May 12, 2016.

PART IV

ITEM 15—EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) *Financial Statements:* The Company has included all required financial statements in Item 8 of this Annual Report. The financial statement schedules have been omitted as they are not applicable or the required information is included in the Notes to the consolidated financial statements.

(b) *Exhibits:* The following exhibits are filed with this Annual Report or incorporated herein by reference to the document set forth next to the exhibit listed below:

2.01	Purchase and Sale Agreement by and among the Company, Walker Group Holdings LLC and Walker Group Holdings LLC dated as of March 26, 2012 (16)
3.01	Amended and Restated Certificate of Incorporation of the Company, as amended (13)
3.02	Certificate of Elimination of Series D Junior Participating Preferred Stock of Wabash National Corporation (6)
3.03	Amended and Restated Bylaws of the Company, as amended (12)
4.01	Specimen Stock Certificate (1)
4.02	Indenture, dated April 23, 2012 between the Company and Wells Fargo Bank, National Association, as trustee (17)
4.03	Supplemental Indenture, dated April 23, 2012 between the Company and Wells Fargo Bank, National Association, as trustee (17)
10.01#	Executive Employment Agreement dated June 28, 2002 between the Company and Richard J. Giromini (2)
10.02	Asset Purchase Agreement dated July 22, 2003 (3)
10.03	Amendment No. 1 to the Asset Purchase Agreement dated September 19, 2003 (3)
10.04#	2004 Stock Incentive Plan (4)
10.05#	Corporate Plan for Retirement – Executive Plan (5)
10.06#	Amendment to Executive Employment Agreement dated January 1, 2007 between the Company and Richard J. Giromini (8)
10.07#	Form of Non-Qualified Stock Option Agreement under the 2007 Omnibus Incentive Plan (9)
10.08#	2007 Omnibus Incentive Plan, as amended (10)
10.09#	2011 Omnibus Incentive Plan (14)
10.10#	Change in Control Severance Pay Plan (15)
10.11#	Wabash National Corporation Executive Severance Plan (7)
10.12	Amended and Restated Credit Agreement, dated May 8, 2012, by and among Wabash National Corporation, certain of its subsidiaries identified on the signature page thereto, Wells Fargo Capital Finance, LLC as joint lead arranger, joint bookrunner and administrative agent, RBS Citizens Business Capital, a division of RBS Citizens, N.A., as joint lead arranger, joint bookrunner and syndication agent, BMO Harris Bank, N.A., as documentation agent, and the other lenders and agents therein (18)
10.13	Amended and Restated General Continuing Guaranty, dated as of May 8, 2012, by each subsidiary of Wabash National Corporation party thereto in favor of Wells Fargo Capital Finance, LLC, as administrative agent for the secured parties under the Amended and Restated Credit Agreement, dated May 8, 2012 (18)

10.14	Credit Agreement dated as of May 8, 2012, among the Wabash National Corporation, the several lender from time to time party thereto Morgan Stanley Senior Funding, Inc., as administrative agent, joint lead arranger and joint bookrunner, and Wells Fargo Securities, LLC, as joint lead arranger and joint bookrunner (18)
10.15	Amendment No. 1 to Credit Agreement, dated April 25, 2013, among Wabash National Corporation, Morgan Stanley Senior Funding, Inc., as administrative agent, and each lender party thereto (19)
10.16	Amendment No. 2 to Credit Agreement, dated March 19, 2015, among Wabash National Corporation, Morgan Stanley Senior Funding, Inc. and each lender party thereto (20)
10.17	General Continuing Guarantee, dated as of May 8, 2012, by each subsidiary of Wabash National Corporation party thereto in favor of Morgan Stanley Senior Funding, Inc., as administrative agent for the secured parties under the Credit Agreement, dated May 8, 2012 (18)
10.18	Joinder and First Amendment to Amended and Restated Credit Agreement, First Amendment to Amended and Restated Security Agreement and First Amendment to Amended and Restated Guaranty Agreement dated June 4, 2015 by and among Wabash National Corporation, certain of its subsidiaries designated as Loan Parties (as defined in the Amendment), Wells Fargo Capital Finance, LLC, as arranger and administrative agent, PNC National Bank National Association, and the other Lenders party thereto (11)

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21.01	List of Significant Subsidiaries (21)
23.01	Consent of Ernst & Young LLP (21)
31.01	Certification of Principal Executive Officer (21)
31.02	Certification of Principal Financial Officer (21)
32.01	Written Statement of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) (21)
101	Interactive Data File Pursuant to Rule 405 of Regulation S-T

#	Management contract or compensatory plan
+	Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been filed separately with the SEC.
(1)	Incorporated by reference to the Registrant’s registration statement on Form S-3 (Registration No. 333-27317) filed on May 16, 1997
(2)	Incorporated by reference to the Registrant’s Form 10-Q for the quarter ended June 30, 2002 (File No. 1-10883)
(3)	Incorporated by reference to the Registrant’s Form 8-K filed on September 29, 2003 (File No. 1-10883)
(4)	Incorporated by reference to the Registrant’s Form 10-Q for the quarter ended June 30, 2004 (File No. 1-10883)
(5)	Incorporated by reference to the Registrant’s Form 10-Q for the quarter ended March 31, 2005 (File No. 1-10883)
(6)	Incorporated by reference to the Registrant’s Form 8-K filed on March 30, 2015 (File No. 1-10883)
(7)	Incorporated by reference to the Registrant’s Form 8-K filed on December 16, 2015 (File No. 1-10883)
(8)	Incorporated by reference to the Registrant’s Form 8-K filed on January 8, 2007 (File No. 1-10883)
(9)	Incorporated by reference to the Registrant’s Form 8-K filed on May 24, 2007 (File No. 1-10883)
(10)	Incorporated by reference to the Registrant’s Form 10-K for the year ended December 31, 2007 (File No. 1-10883)
(11)	Incorporated by reference to the Registrant’s Form 8-K filed on June 10, 2015 (File No. 1-10883)
(12)	Incorporated by reference to the Registrant’s Form 8-K filed on August 4, 2009 (File No. 1-10883)
(13)	Incorporated by reference to the Registrant’s Form 10-Q for the quarter ended September 30, 2011 (File No. 1-10883)
(14)	Incorporated by reference to the Registrant’s Form 8-K filed on May 25, 2011 (File No. 1-10883)
(15)	Incorporated by reference to the Registrant’s Form 8-K filed on September 14, 2011 (File No. 1-10883)
(16)	Incorporated by reference to the Registrant’s Form 8-K filed on March 27, 2012 (File No.001-10883)
(17)	Incorporated by reference to the Registrant’s Form 8-K filed on April 23, 2012 (File No.001-10883)
(18)	Incorporated by reference to the Registrant’s Form 8-K filed on May 14, 2012 (File No 001-10883)
(19)	Incorporated by reference to the Registrant’s Form 8-K filed on April 29, 2013 (File No 001-10883)
(20)	Incorporated by reference to the Registrant’s Form 8-K filed on March 23, 2015 (File No 001-10883)
(21)	Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

WABASH NATIONAL CORPORATION

February 26, 2016 By: /s/ Jeffery L. Taylor
Jeffery L. Taylor
Senior Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the date indicated.

Date	Signature and Title
February 26, 2016	By: /s/ Richard J. Giromini Richard J. Giromini President and Chief Executive Officer, Director (Principal Executive Officer)
February 26, 2016	By: /s/ Jeffery L. Taylor Jeffery L. Taylor Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
February 26, 2016	By: /s/ Martin C. Jischke Dr. Martin C. Jischke Chairman of the Board of Directors
February 26, 2016	By: /s/ James D. Kelly James D. Kelly Director
February 26, 2016	By: /s/ John E. Kunz

	John E. Kunz Director
February 26, 2016	By: /s/ Larry J. Magee Larry J. Magee Director
February 26, 2016	By: /s/ Ann D. Murtlow Ann D. Murtlow Director
February 26, 2016	By: /s/ Scott K. Sorensen Scott K. Sorensen Director

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