TRINITY INDUSTRIES INC
Form 10-K
February 19, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K
(Mark One)

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

For the fiscal year ended December 31, 2014

OR

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

Commission File Number 1-6903

Trinity Industries, Inc.
(Exact name of registrant as specified in its charter)

Delaware	75-0225040
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
2525 N. Stemmons Freeway, Dallas, Texas	75207-2401
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (214) 631-4420

Securities Registered Pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Common Stock ($1.00 par value)	New York Stock Exchange, Inc.

Securities registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No ¨

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No þ

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨
(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No þ

The aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the Registrant's most recently completed second fiscal quarter (June 30, 2014) was $6,706.8 million.

At January 31, 2015 the number of shares of common stock outstanding was 155,668,747.

The information required by Part III of this report, to the extent not set forth herein, is incorporated by reference from the Registrant's definitive 2015 Proxy Statement.

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All share and per share information, including dividends, has been retroactively adjusted to reflect the 2-for-1 stock split. except
for the statement of stockholders' equity which reflects the stock split by reclassifying from "Capital in Excess of Par Value" to "Common Stock" an amount equal to the par value of the additional shares issued to effect the stock split.

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PART I
Item 1. Business.

General Development of Business. Trinity Industries, Inc. and its consolidated subsidiaries, ("Trinity", "Company", "we", or "our") headquartered in Dallas, Texas, is a diversified industrial company that owns a variety of market-leading businesses providing products and services to the energy, transportation, chemical, and construction sectors. Trinity was incorporated in 1933.

Trinity became a Delaware corporation in 1987. Our principal executive offices are located at 2525 N. Stemmons Freeway, Dallas, Texas 75207-2401, our telephone number is 214-631-4420, and our Internet website address is www.trin.net.

Financial Information About Industry Segments. Financial information about our industry segments for the years ended December 31, 2014, 2013, and 2012 is presented in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Narrative Description of Business. As a diversified industrial company, we manufacture and sell a variety of products and services principally including:

- railcars and railcar parts;
- the leasing, management, and maintenance of railcars;
- inland barges;
- highway products;
- aggregates;
- storage and distribution containers;
- structural wind towers;
- electric utility structures; and
- parts and steel components.

We serve our customers through the following five business groups:

Rail Group. Through wholly-owned subsidiaries with manufacturing facilities in the U.S. and Mexico, our Rail Group is a leading manufacturer of freight and tank railcars in North America used for transporting a wide variety of liquids, gases, and dry cargo ("Trinity Rail Group" or "Rail Group").

Trinity Rail Group offers a complete array of railcar solutions to our customers. We are capable of manufacturing a full line of railcars, including:

Autorack Cars - Autoracks and flatcars transport finished automobiles and light trucks.

Box Cars - Box cars carry a wide variety of bulk cargo such as auto parts, paper, and food products.

Covered Hopper Cars - Covered hopper cars transport commodities such as industrial sand and cement, grain products, dry fertilizer, and plastics. Pressure differential covered hopper cars carry products such as flour and starch.

Gondola Cars - Rotary gondola cars are primarily used for coal service. Other gondola cars carry bulk commodities such as scrap metal, aggregate, ores, and finished steel.

Intermodal Cars - Intermodal cars transport shipping containers in single or double stacked configurations as well as truck trailers.

Open Hopper Cars - Open hopper cars are used to transport coal, aggregates, and other similar products.

Tank Cars - Non-pressurized tank cars transport a wide variety of liquid commodities including chemicals, food products, and petroleum products. Pressurized tank cars are used to transport liquefied gases.

Our Rail Group is capable of manufacturing a diversified railcar product line, allowing us to capitalize on changing industry trends and developing opportunities in the construction, agricultural, energy, chemical and automotive markets, among others. We also manufacture and sell a variety of railcar parts and components used in manufacturing and repairing railcars including couplers, axles, and other equipment. We have plants in Mexico and the U.S. that manufacture parts and components, primarily for the North American market. We provide railcar maintenance services at multiple facilities in the U.S.

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Our customers include railroads, leasing companies, and industrial shippers of products, such as utilities, petrochemical companies, grain shippers, agricultural product companies, and major construction and industrial companies. We compete in the North American market primarily against five major railcar manufacturers.

For the year ended December 31, 2014 we shipped 30,255 railcars, or 44% of total North American railcar shipments. As of December 31, 2014, our Rail Group backlog consisted of 61,035 railcars valued at $7.2 billion. This amount included approximately $2.0 billion in orders from our Railcar Leasing and Management Services Group (“Leasing Group”). The total amount of orders in our backlog from the Leasing Group was supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery.

We hold patents of varying duration for use in our manufacture of railcars and components. We believe patents offer a marketing advantage in certain circumstances. No material revenues are received from the licensing of these patents.

Railcar Leasing and Management Services Group. Our Railcar Leasing and Management Services Group is a leading provider in North America of comprehensive rail industry services. Through wholly-owned subsidiaries, primarily Trinity Industries Leasing Company ("TILC"), and partially-owned subsidiaries, TRIP Rail Holdings LLC (“TRIP Holdings”) and RIV 2013 Rail Holdings LLC ("RIV 2013"), we offer operating leases for tank and freight railcars. TILC also offers management, maintenance, and administrative services to railcar investors. By providing leasing and management, maintenance, and administrative services, in addition to management services for investor-owned funds, our Leasing Group is an important strategic resource that further links our Rail Group with our customers. Trinity's Rail Group and TILC coordinate sales and marketing activities under the registered trade name TrinityRail®, thereby providing a single point of contact for railroads and shippers seeking rail equipment and services.

The railcars in our lease fleet are leased to industrial shippers and railroads. These companies operate in the chemical, agricultural, and energy industries, among others. Substantially all of the railcars in our lease fleet were manufactured by our Rail Group. The terms of our railcar leases generally vary from one to twenty years and provide for fixed monthly rentals. A small percentage of our fleet is leased on a per diem basis. As of December 31, 2014, the lease fleet of our subsidiaries included 75,930 owned or leased railcars that were 99.5% utilized. Of this total, 63,520 railcars were owned by TILC or its affiliates and 12,410 railcars were financed in sale-leaseback transactions.

We also manage railcar fleets on behalf of third parties. Our railcar fleet management services complement our leasing business by generating stable fee income, strengthening customer relationships, and enhancing the view of Trinity as a leading provider of railcar products and services.

Our railcar leasing businesses compete against a number of well-established entities that are also in the business of leasing railcars.

Construction Products Group. Through wholly-owned subsidiaries, our Construction Products Group manufactures highway products as well as other primarily-steel products for infrastructure-related projects; mines and produces aggregates; and provides galvanizing services. Many of these lines of business are seasonal and revenues are impacted by weather conditions and fluctuations in government spending levels.

Our Highway Products business is a leading U.S. manufacturer of guardrail, crash cushions, and other protective barriers. The Federal Highway Administration, which determines product eligibility for cost reimbursement using federal funds, has approved many of our products as eligible for Federal-aid reimbursement based on satisfactory performance testing pursuant to criteria established under either the National Cooperative Highway Research Program Report 350 or the Manual for Assessing Safety Hardware, as applicable. Our crash cushion, protective barrier, and guardrail products include multiple proprietary products manufactured under license from certain public and private research organizations and inventors as well as Company-held patents. We sell highway products in Canada, Mexico, and throughout the U.S., and we export highway products, including proprietary products to more than 60 countries. The Company does not perform any installation services with respect to its highway products, except in Mexico. We compete against several national and regional highway products manufacturers.

We are a leading producer and distributor of lightweight and natural aggregates, including expanded shale and clay; crushed stone; sand and gravel; asphalt rock; and various other products in the western and southwestern U.S. Our aggregates customers are concrete producers; commercial, residential, and highway contractors; manufacturers of masonry products; and state and local municipalities. We compete with lightweight aggregates producers nationwide and natural aggregates producers located in the regions where we operate.

We provide hot-dip galvanizing services to manufacturers of fabricated steel materials from our service facilities in Texas, Louisiana, and Mississippi. We also manufacture a line of trench shields and shoring products for the construction industry and a line of construction equipment for the mining industry.

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Energy Equipment Group. Through wholly-owned subsidiaries, our Energy Equipment Group manufactures structural wind towers; utility steel structures for electricity transmission and distribution; ambient and cryogenic storage and distribution containers; and tank heads for pressure and non-pressure vessels.

We are a leading manufacturer in North America of structural wind towers used in the wind energy market. These towers are manufactured in the U.S. and Mexico to customer specifications and installed by our customers. Our customers are generally wind turbine producers. Our structural wind towers backlog as of December 31, 2014 was approximately $473.5 million.

With the acquisition of the assets of Meyer Steel Structures ("Meyer"), the utility steel structures division of Thomas & Betts Corporation, a member of the ABB Group, in August 2014, we became one of the leading manufacturers of steel structures for electricity transmission and distribution, which are used principally by municipalities and other local and state governmental entities, as well as by public and private utilities. These structures are manufactured in the U.S. and Mexico to customer specifications and installed by our customers.

We manufacture storage and distribution containers that support the oil, gas, and chemical industries and are used by industrial plants, utilities, residences, and small businesses in suburban and rural areas. Additionally, we manufacture fertilizer storage and distribution containers for bulk storage, farm storage, and the application and distribution of anhydrous ammonia. We also manufacture cryogenic tanks for the distribution of industrial gases and liquefied natural gas. Our storage and distribution container products range from nine-gallon containers for motor fuel use to 1.8 million-gallon bulk storage spheres. We sell our storage and distribution containers to dealers and large industrial users. In the U.S., we generally deliver storage and distribution containers to our customers who install and fill the containers. Our competitors include large and small manufacturers of storage and distribution containers.

We manufacture tank heads, which are pressed metal components used in the manufacturing of many of our finished products, both pressure rated and non-pressure rated, depending on their intended use. We use a significant portion of the tank heads we manufacture in the production of our railcars and storage and distribution containers. We also sell our tank heads to a broad range of other manufacturers. There is strong competition in the tank heads business.

We are a leading manufacturer in North America of storage and distribution containers and tank heads for pressure and non-pressure vessels. We manufacture these products in the U.S. and Mexico. We market a portion of our products in Mexico under the brand name of TATSA®.

In February 2014, we acquired the assets of Platinum Energy Services Corporation ("Platinum"), based in Alberta, Canada, which manufactures and sells oil and gas process and storage equipment, including various types of containers, separators, and treaters used at the well-site and in midstream locations.

There are a number of well-established entities that actively compete with us in the business of manufacturing energy equipment .

Inland Barge Group. Through wholly-owned subsidiaries, our Inland Barge Group is a leading U.S. manufacturer of inland barges and fiberglass barge covers. We manufacture a variety of dry cargo barges, such as deck barges, and open or covered hopper barges that transport various commodities, such as grain, coal, and aggregates. We also manufacture tank barges used to transport liquids such as crude oil, chemicals and a variety of petroleum products. Our fiberglass reinforced lift covers are used primarily for grain barges. Our four barge manufacturing facilities are located along the U.S. inland river systems, allowing for rapid delivery to our customers. Our Inland Barge Group backlog as of December 31, 2014 was approximately $437.9 million.

Our primary Inland Barge customers are commercial marine transportation companies. Many companies have the capability to enter into, and from time to time do enter into, the inland barge manufacturing business. We strive to compete through operational efficiency, timely delivery, and quality products. We have a number of competitors for our products in this industry.

All Other. All Other includes our captive insurance and transportation companies; legal, environmental, and maintenance costs associated with non-operating facilities; and other peripheral businesses.

Foreign Operations. Trinity's foreign operations are primarily located in Mexico. Continuing operations included sales to foreign customers, primarily in Mexico, which represented 5.8%, 11.7%, and 10.0% of our consolidated revenues for the years ended December 31, 2014, 2013, and 2012, respectively. As of December 31, 2014 and 2013, we had 3.9% and 3.7%, respectively, of our long-lived assets not held for sale located outside the U.S. We manufacture railcars, storage and distribution containers, tank heads, structural wind towers, utility structures, parts and steel components, and other products at our Mexico facilities for local consumption as well as for export to the U.S. and other countries.

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Backlog. As of December 31, 2014 and 2013, our backlog of firm and noncancellable orders was as follows:

	December 31, 2014	December 31, 2013
	(in millions)	
Rail Group		
External Customers	$5,204.3	$4,189.6
Leasing Group	2,010.5	827.0
	$7,214.8	$5,016.6
Inland Barge Group	$437.9	$429.6
Wind towers	$473.5	$553.9

For the twelve months ended December 31, 2014, our rail manufacturing businesses received orders for 51,395 railcars, including a multi-year railcar order received in November 2014 from GATX Corporation to deliver 8,950 railcars over a four-year period beginning in 2016. The increase in backlog as of December 31, 2014 reflects the value of orders taken during the year. The orders in our backlog from the Leasing Group are fully supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery as directed by our customers. Approximately 55% of our railcar backlog is expected to be delivered in the twelve months ending December 31, 2015 with the remainder to be delivered from 2016 through 2020. All of our Inland Barge backlog is expected to be delivered in the twelve months ending December 31, 2015. Deliveries for multi-year barge agreements are included in the backlog when specific production quantities for future years have been determined. Approximately 57% of our structural wind towers backlog is expected to be delivered in the twelve months ending December 31, 2015 with the remainder to be delivered in 2016. The Company does not report backlog from its utility structures business because certain contracts contain partial order cancellation provisions.

Marketing. We sell or lease substantially all of our products and services through our own sales personnel operating from offices in multiple locations in the U.S. as well as Canada, Mexico, the United Kingdom, Singapore, Sweden, and Peru. We also use independent sales representatives on a limited basis.

Raw Materials and Suppliers.

Railcar Specialty Components and Steel. Products manufactured at our railcar manufacturing facilities require a significant supply of raw materials such as steel, as well as numerous specialty components such as brakes, wheels, axles, side frames, bolsters, and bearings. Although the number of alternative suppliers of specialty components has declined in recent years, at least two suppliers continue to produce most components.

The principal material used in our manufacturing segments is steel. During 2014, the supply of steel was sufficient to support our manufacturing requirements. Market steel prices were relatively stable during the year with 2014 prices averaging slightly higher than 2013. Steel prices may be volatile in the future in part as a result of market conditions. We often use contract-specific purchasing practices, existing supplier commitments, contractual price escalation provisions, and other arrangements with our customers, to mitigate the effect of steel price volatility on our operating profits for the year. In general, we believe there is enough capacity in the supply industry to meet current production levels and that our existing contracts and other relationships we have in place will meet our current production forecasts.

Aggregates. Natural and lightweight aggregates can be found throughout the U.S., and many producers exist nationwide. Shipments of natural aggregates from an individual quarry are generally limited in geographic scope because the cost of transporting processed aggregates to customers is high in relation to the value of the product itself. Lightweight aggregates have a much wider, multi-state distribution area due to their higher value relative to their distribution costs. We currently operate 14 mining facilities strategically located in Texas, Louisiana, Colorado, and California.

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Employees. The following table presents the approximate headcount breakdown of employees by business group:

Business Group	December 31, 2014
Rail Group	10,980
Construction Products Group	1,670
Inland Barge Group	2,130
Energy Equipment Group	6,340
Railcar Leasing and Management Services Group	200
All Other	420
Corporate	330
	22,070

As of December 31, 2014, approximately 12,520 employees were employed in the U.S. and 9,430 employees were employed in Mexico.

Acquisitions and Divestitures. See Note 2 of the Notes to Consolidated Financial Statements.

Environmental Matters. We are subject to comprehensive federal, state, local, and foreign environmental laws and regulations relating to the release or discharge of materials into the environment; the management, use, processing, handling, storage, transport, and disposal of hazardous and non-hazardous waste and materials; and other activities relating to the protection of human health and the environment.

Environmental operating permits are, or may be, required for our operations under these laws and regulations. These operating permits are subject to modification, renewal, and revocation. We regularly monitor and review our operations, procedures, and policies for compliance with our operating permits and related laws and regulations. We believe that our operations and facilities, whether owned, managed, or leased, are in substantial compliance with applicable environmental laws and regulations and that any non-compliance is not likely to have a material adverse effect on our operations or financial condition.

Governmental Regulation.

Railcar Industry. The primary regulatory and industry authorities involved in the regulation of the railcar industry are the U.S. Environmental Protection Agency ("USEPA"); the Research and Special Programs Administration, the Federal Railroad Administration ("FRA"), and the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), all divisions of the U.S. Department of Transportation ("USDOT"); and the Association of American Railroads ("AAR"). These organizations establish rules and regulations for the railcar industry, rail infrastructure, and rail interchange, including product specifications and standards for the design and manufacture of railcars and railcar parts; mechanical, maintenance, and related standards for railcars; safety of railroad equipment, tracks, and operations; and packaging and transportation of hazardous or toxic materials. We believe that our product designs and operations are in compliance with these specifications, standards and regulations.

Recent derailments in North America of trains transporting crude oil have caused various regulatory agencies and industry organizations, including but not limited to the USDOT; FRA; PHMSA; Transport Canada ("TC"); AAR and the AAR Tank Car Committee; American Petroleum Institute; and Railway Supply Institute, as well as community governments, to focus attention on transportation by rail of flammable materials. In August 2014, PHMSA published a Notice of Proposed Rulemaking seeking interested party comments on potential regulatory initiatives pertaining to the transportation of flammable materials by rail. A similar rulemaking process and request for comments was initiated in Canada in July 2014 under the direction of TC - Transport Dangerous Goods. Comment periods for PHMSA and TC have closed and agency review of comments is in process at both PHMSA and TC.

Regulatory certainty from PHMSA and TC is expected in 2015. While the regulatory process itself and the scope of any potential regulatory change is uncertain, the Company is assessing its position under a variety of potentially diverse, final rule scenarios. Any final rule may or may not materially impact the rail industry as a whole; railroad operations; older and newer tank railcars that meet or exceed currently mandated PHMSA and TC standards; future tank railcar specifications; market decisions relative to capital investment in rail products; and the capability of the nation's railcar manufacturing, repair and maintenance infrastructure to implement mandated modification configurations or new construction.

Inland Barge Industry. The primary regulatory and industry authorities involved in the regulation of the inland barge industry are the U.S. Coast Guard; the U.S. National Transportation Safety Board; the U.S. Customs Service; the Maritime Administration of the U.S. Department of Transportation; and private industry organizations such as the American Bureau of Shipping. These organizations establish safety criteria, investigate vessel accidents, and recommend improved safety standards. We believe that our product specifications and operations are in compliance with applicable laws and regulations.

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Highway Products. The primary regulatory and industry authorities involved in the regulation of highway products manufacturers are the USDOT, the Federal Highway Administration ("FHWA"), and various state highway departments. These organizations, with participation from the American Association of State Highway and Transportation Officials, establish certain standards, specifications, and product testing criteria related to the manufacture of our highway products. If our products were found to be not in compliance with these standards, specifications, or product testing criteria, we could be required to re-qualify our products for installation on state and national highways, recall products already in use or installed, or replace products in use or installed with other products manufactured by us or manufactured by our competitors.We believe that our highway products are in compliance with all applicable standards and specifications.

Occupational Safety and Health Administration and Similar Regulations. Our operations are subject to regulation of health and safety matters by the U.S. Occupational Safety and Health Administration and the U.S. Mine Safety and Health Administration. We believe that we employ appropriate precautions to protect our employees and others from workplace injuries and harmful exposure to materials handled and managed at our facilities. However, claims that may be asserted against us for work-related illnesses or injury and the further adoption of occupational and mine safety and health regulations in the U.S. or in foreign jurisdictions in which we operate could increase our operating costs. While we do not anticipate having to make material expenditures in order to remain in substantial compliance with health and safety laws and regulations, we are unable to predict the ultimate cost of compliance.

See Item 1A for further discussion of risk factors with regard to environmental, governmental, and other matters.

Executive Officers and Other Corporate Officers of the Company.

The following table sets forth the names and ages of all of our executive officers and other corporate officers, their positions and offices presently held by them, and the year each person first became an officer. All officer terms expire in May 2015.

Name	Age	Office	Officer Since
Timothy R. Wallace*	61	Chairman, Chief Executive Officer, and President	1985
James E. Perry*	43	Senior Vice President and Chief Financial Officer	2005
Melendy E. Lovett*	56	Senior Vice President and Chief Administrative Officer	2014
William A. McWhirter II*	50	Senior Vice President and Group President	2005
D. Stephen Menzies*	59	Senior Vice President and Group President	2001
S. Theis Rice*	64	Senior Vice President and Chief Legal Officer	2002
Kathryn A. Collins	51	Vice President, Human Resources	2014
Tammy D. Gilbert	54	Vice President, Information Technology	2012
Virginia C. Gray, Ph.D.	55	Vice President, Organizational Development	2007
Mary E. Henderson*	56	Vice President and Chief Accounting Officer	2009
John M. Lee	54	Vice President, Business Development	1994
Steven L. McDowell	53	Vice President and Chief Audit Executive	2013
Gail M. Peck	47	Vice President, Finance and Treasurer	2010
Heather Perttula Randall	41	Vice President, Legal Affairs and Government Relations	2011
Jared S. Richardson	42	Vice President, Associate General Counsel and Secretary	2010
Stephen W. Smith	65	Vice President and Chief Technical Officer	2012

*Executive officer subject to reporting requirements under Section 16 of the Securities Exchange Act of 1934.

Ms. Collins joined Trinity in 2014 as Vice President, Human Resources. Prior to joining Trinity, she worked for RealPage, Inc. from 2012 to 2014, most recently serving as Vice President, Talent Management and HR Systems. She served as Divisional Vice President, Organization Effectiveness and Vice President, Associate Recruitment at J.C.

Penney Company, Inc. where she held management and executive positions from 2009 to 2012.

Ms. Gilbert joined Trinity in 2012 as Vice President, Information Technology. Prior to joining Trinity, she worked for Hewlett-Packard from 2006 to 2012, most recently serving as the America's Vice President, Transition, Transformation, and Project/Program Management. She has also held executive positions with Electronic Data Systems, Sabre Holdings, American Airlines, and Harris Methodist Hospital.

Ms. Henderson joined the Company in 2003 as Director of Financial Reporting. She was named Assistant Controller in 2005 and Controller in 2009. In 2010, Ms. Henderson was elected Vice President and Chief Accounting Officer.

Ms. Lovett joined the Company in 2014 as Senior Vice President and Chief Administrative Officer. She was a member of the Company's Board of Directors since 2012 but resigned from her Board position at Trinity in connection with her appointment as an officer of the Company. Prior to joining Trinity, she worked for Texas Instruments ("TI") from 1993 to 2014 serving as Senior

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Vice President and President of TI's Education Technology business from 2004. She previously served as Vice President in TI's human resources organization from 1998. Prior to joining TI, she was a senior manager with the consulting firm of Coopers & Lybrand.

Mr. McWhirter joined the Company in 1985 and held various accounting positions until 1992, when he became a business group officer. In 1999, he was elected to a corporate position as Vice President for Mergers and Acquisitions. In 2001, he was named Executive Vice President of a business group. In March 2005, he became Vice President and Chief Financial Officer and in 2006, Senior Vice President and Chief Financial Officer. In 2010, Mr. McWhirter was named Senior Vice President and Group President of the Construction Products and Inland Barge Groups. In 2012, Mr. McWhirter was named Senior Vice President and Group President of the Construction Products, Energy Equipment, and Inland Barge Groups.

Mr. McDowell joined the Company in 2013 as Vice President and Chief Audit Executive. Prior to joining Trinity, he worked for Dean Foods from 2007 to 2013, where he held a variety of management positions and most recently served as Vice President, Internal Audit and Risk Management. Prior to his tenure at Dean Foods, he served as Vice President - Internal Audit at Centex Corporation.

Ms. Peck joined Trinity in 2010 as Treasurer and was appointed Vice President and Treasurer in 2011 and Vice President, Finance and Treasurer in 2014. Prior to joining Trinity, she worked for Centex Corporation from 2001 to 2009, serving as Vice President and Treasurer beginning in 2004.

Mr. Perry joined Trinity in 2004 and was appointed Treasurer in April 2005. Mr. Perry was named a Vice President of Trinity in 2006 and appointed its Vice President, Finance in 2007. In 2010, Mr. Perry was appointed Chief Financial Officer and in 2011 was elected Senior Vice President and Chief Financial Officer.

Ms. Randall joined the Company in 2005 as Chief Counsel of TrinityRail. In 2006, she became Deputy General Counsel in charge of litigation for Trinity. In 2011, Ms. Randall was elected Vice President, Legal Affairs and Government Relations.

Mr. Rice joined the Company in 1991 and held various legal and business positions until 2005, when he was elected Vice President and Chief Legal Officer. He was named Senior Vice President, Human Resources and Chief Legal Officer in 2011 and was named Senior Vice President and Chief Legal Officer in 2013.

Mr. Richardson joined the Company in 2010 as Associate General Counsel and Secretary. In 2012, Mr. Richardson was elected Vice President, Associate General Counsel, and Secretary. From 2004 to 2009, he handled legal, corporate governance, and secretary matters for Energy Future Holdings Corp. (formerly TXU Corp.).

Mr. Smith joined the Company in 1976 and held various engineering positions, advancing to Senior Vice President Engineering for TrinityRail. In 2008, Mr. Smith was promoted to a corporate position and serving as an engineering and technical advisor to Trinity's Group Presidents and corporate officers. In 2012, Mr. Smith was elected Vice President and was named Chief Technical Officer in 2013.

Messrs. Wallace, Menzies, and Lee and Dr. Gray have been in full time employment of Trinity or its subsidiaries for more than five years and have performed essentially the same respective duties during such time.

Item 1A. Risk Factors.

There are risks and uncertainties that could cause our actual results to be materially different from those mentioned in forward-looking statements that we make from time to time in filings with the Securities and Exchange Commission (“SEC”), news releases, reports, proxy statements, registration statements, and other written communications, as well as oral forward-looking statements made from time to time by representatives of our Company. All known material risks and uncertainties are described below. The cautionary statements below discuss important factors that could cause our business, financial condition, operating results, and cash flows to be materially adversely affected. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements contained herein. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

Many of the industries in which we operate are cyclical, and, accordingly, our business is subject to changes in the economy. We operate in cyclical industries. Downturns in overall economic conditions usually have a significant adverse effect on cyclical industries due to decreased demand for new and replacement products. Decreased demand could result in lower sales volumes, lower prices, and/or a loss of profits. The railcar, barge, and wind energy industries have previously experienced sharp cyclical downturns and at such times operated with a minimal backlog. The business cycles of our different operations may not typically coincide but an economic downturn could impact disparate cycles contemporaneously. In such cases, the effect of an economic downturn may have a magnified negative effect on our business.

Volatility in the global markets may adversely affect our business and operating results. Instability in the global economy, negative conditions in the global credit markets, volatility in the industries that our products serve, fluctuations in commodity

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prices that our customers produce and transport, changes in legislative policy, adverse changes in the availability of raw materials and supplies, or adverse changes in the financial condition of our customers could lead to customers' requests for deferred deliveries of our backlog orders. Additionally such events could result in our customers' attempts to cancel orders in whole or in part or unilaterally terminate firm contracts resulting in un-remedied contract breaches or purchase order breaches, and increased commercial litigation costs. Such occurrences could adversely affect our cash flows and results of operations.

If volatile conditions in the global credit markets prevent our customers' access to credit, product order volumes may decrease or customers may default on payments owed to us. Likewise, if our suppliers face challenges obtaining credit, selling their products to customers that require purchasing credit, or otherwise operating their businesses, the supply of materials we purchase from them to manufacture our products may be interrupted. Any of these conditions or events could result in reductions in our revenues, increased price competition, or increased operating costs, which could adversely affect our business, results of operations, and financial condition.

Litigation claims could increase our costs and weaken our financial condition. We are currently, and may from time to time be, involved in various claims or legal proceedings arising out of our operations. Adverse judgments and outcomes in some or all of these matters could result in significant losses and costs that could weaken our financial condition. Although we maintain reserves for our reasonably estimable liability, our reserves may be inadequate to cover our portion of claims or judgments after taking into consideration rights in indemnity and recourse to third parties. Any such claims or judgments could have a material adverse effect on our business, operations, or overall financial condition.

Increases in the price and demand for steel could lower our margins and profitability. The principal material used in our manufacturing segments is steel. Market steel prices may exhibit short periods of volatility. Steel prices may experience further volatility as a result of scrap surcharges assessed by steel mills and other market factors. We often use contract-specific purchasing practices, existing supplier commitments, contractual price escalation provisions, and other arrangements with our customers to mitigate the effect of this volatility on our operating profits for the year. To the extent that we do not have such arrangements in place, an increase in steel prices could materially lower our profitability. In addition, meeting production demands is dependent on our ability to obtain a sufficient amount of steel. An unanticipated interruption in our supply chain could have an adverse impact on both our margins and production schedules.

We have potential exposure to environmental liabilities, which may increase costs and lower profitability. We are subject to comprehensive federal, state, local, and foreign environmental laws and regulations relating to: (i) the release or discharge of materials into the environment at our facilities or with respect to our products while in operation; (ii) the management, use, processing, handling, storage, transport, and disposal of hazardous and non-hazardous waste and materials; and (iii) other activities relating to the protection of human health and the environment. Such laws and regulations not only expose us to liability for our own acts, but also may expose us to liability for the acts of others or for our actions which were in compliance with all applicable laws at the time these actions were taken. In addition, such laws may require significant expenditures to achieve compliance, and are frequently modified or revised to impose new obligations. Civil and criminal fines and penalties may be imposed for non-compliance with these environmental laws and regulations. Our operations involving hazardous materials also raise potential risks of liability under common law.

Environmental operating permits are, or may be, required for our operations under these laws and regulations. These operating permits are subject to modification, renewal, and revocation. Although we regularly monitor and review our operations, procedures, and policies for compliance with our operating permits and related laws and regulations, the risk of environmental liability is inherent in the operation of our businesses, as it is with other companies operating under environmental permits.

However, future events, such as changes in, or modified interpretations of, existing environmental laws and regulations or enforcement policies, or further investigation or evaluation of the potential health hazards associated with the manufacture of our products and related business activities and properties, may give rise to additional compliance and other costs that could have a material adverse effect on our financial condition and operations.

In addition to environmental laws, the transportation of commodities by railcar, barge, or storage container raises potential risks in the event of an accident that results in the release of an environmentally sensitive substance. Generally, liability under existing laws for a derailment or other accident depends upon causation analysis and the acts, errors, or omissions, if any, of a party involved in the transportation activity, including, but not limited to, the railroad, the shipper, the buyer and seller of the substances being transported, or the manufacturer of the railcar, barge, or storage container, or its components. Additionally, the severity of injury or property damage arising from an incident may influence the causation responsibility analysis, exposing the Company to potentially greater liability. Under certain circumstances, strict liability concepts may apply and if we are found liable in any such incident, it could have a material adverse effect on our financial condition, business, and operations.

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We operate in highly competitive industries. We may not be able to sustain our market leadership positions, which may impact our financial results. We face aggressive competition in all geographic markets and each industry sector in which we operate. In addition to price, we face competition in product performance and technological innovation, quality, reliability of delivery, customer service, and other factors. This competition is often intense, the effects of which could reduce our revenues and operating profits, limit our ability to grow, increase pricing pressure on our products, and otherwise affect our financial results.

The limited number of customers in certain of our businesses, the variable purchase patterns of our customers in all our segments, and the timing of completion, delivery, and customer acceptance of orders may cause our revenues and income from operations to vary substantially each quarter, which would result in significant fluctuations in our quarterly results. Some of the markets we serve are dominated by a limited number of customers. Customers in each of our business segments do not purchase a similar volume of products each year nor make purchases consistently from year-to-year. As a result, the order levels for our products have varied significantly from quarterly period to quarterly period in the past and may continue to vary significantly in the future. Therefore, our results of operations in any particular quarterly period may be significantly affected. As a result of these quarterly fluctuations, we believe that comparisons of our sales and operating results between quarterly periods may not be meaningful and should not be relied upon as indicators of future performance.

Our access to capital may be limited or unavailable due to deterioration of conditions in the global capital markets, weakening of macroeconomic conditions, and negative changes in credit ratings. In general, the Company, and more specifically its leasing subsidiaries' operations, rely in large part upon banks and capital markets to fund its operations and contractual commitments and refinance existing debt. These markets can experience high levels of volatility and access to capital can be constrained for an extended period of time. In addition to conditions in the capital markets, a number of other factors could cause the Company to incur increased borrowing costs and to have greater difficulty accessing public and private markets for both secured and unsecured debt. These factors include the Company's financial performance and its credit ratings and rating outlook as determined primarily by rating agencies such as Standard & Poor's Financial Services LLC, Moody's Investors Service, Inc., and Fitch Ratings, Inc. If the Company is unable to secure financing on acceptable terms, the Company's other sources of funds, including available cash, bank facilities, and cash flow from operations may not be adequate to fund its operations and contractual commitments and refinance existing debt.

We may be unable to maintain railcar assets on lease at satisfactory rates. The profitability of our railcar leasing business depends on our ability to lease railcars at satisfactory rates, to re-lease railcars upon the expiration and non-renewal of existing leases, and to sell railcars in the secondary market as part of our ordinary course of business. Our ability to lease, re-lease or sell leased or unleased railcars profitably is dependent upon several factors, including, among others:

- the cost of and demand for leases or ownership of newer or specific-use railcar types;
- the availability in the market generally of competing used or new railcars;
- the degree of obsolescence of leased or unleased railcars, including railcars subject to regulatory obsolescence;
- the prevailing market and economic conditions, including the availability of credit, interest rates, and inflation rates;
- the market demand or governmental mandate for refurbishment; and
- the volume and nature of railcar traffic and loadings

A downturn in the industries in which our lessees operate and decreased demand for railcars could also increase our exposure to re-marketing risk because lessees may demand shorter lease terms or newer railcars, requiring us to re-market leased railcars more frequently. Furthermore, the resale market for previously leased railcars has a limited number of potential buyers. Our inability to re-lease or sell leased or unleased railcars on favorable terms could result in lower lease rates, lower lease utilization percentages, and reduced revenues.

Fluctuations in the price and supply of specialty and other component parts used in the production of our products could have a material adverse effect on our ability to cost-effectively manufacture and sell our products. In some instances, we rely on a limited number of suppliers for certain components needed in our production. A significant portion of our business depends on the adequate supply of numerous specialty and other parts and components at competitive prices such as brakes, wheels, side frames, bolsters, and bearings for the railcar business, as well as flanges for the wind towers business. Our manufacturing operations partially depend on our ability to obtain timely deliveries of materials, parts, and components in acceptable quantities and quality from our suppliers. Certain parts and components of our products are currently available from a limited number of suppliers and, as a result, we may have limited control over pricing, availability, and delivery schedules. If we are unable to purchase a sufficient quantity of parts and components on a timely basis, we could face disruptions in our production and incur delays while we attempt to engage alternative suppliers. Fewer suppliers could result from unimproved or worsening economic or commercial conditions which could increase our rejections for poor quality and require us to source unknown and distant supply alternatives. Any such disruption or conditions could harm our business and adversely impact our results of operations.

Reductions in the availability of energy supplies or an increase in energy costs may increase our operating costs. We use various gases, including natural gas, at our manufacturing facilities and use diesel fuel in vehicles to transport our products to customers and to operate our plant equipment. An outbreak or escalation of hostilities between the U.S. and any foreign power and, in particular, prolonged conflicts could result in a real or perceived shortage of petroleum and/or natural gas, which could result in an increase in the cost of natural gas or energy in general. Hurricanes or other natural disasters could result in a real or perceived shortage of petroleum and/or natural gas potentially resulting in an increase in natural gas prices or general energy costs. Speculative trading in energy futures in the world markets could also result in an increase in natural gas and general energy cost. Future limitations on the availability (including limitations imposed by increased regulation or restrictions on rail, road, and pipeline transportation of energy supplies) or consumption of petroleum products and/or an increase in energy costs, particularly natural gas for plant operations and diesel fuel for vehicles and plant equipment, could have an adverse effect upon our ability to conduct our business cost effectively.

Our manufacturer's warranties expose us to product replacement and repair claims. Depending on the product, we warrant against manufacturing defects due to our workmanship and certain materials (including surface coatings, primers, sealants, and interior linings), parts, and components pursuant to express limited contractual warranties. Accordingly, we may be subject to significant warranty claims in the future such as multiple claims based on one defect repeated throughout our production process or claims for which the cost of repairing or replacing the defective part, component or material is highly disproportionate to the original price. These types of warranty claims could result in costly product recalls, significant repair or replacement costs, and damage to our reputation.

Increasing insurance claims and expenses could lower profitability and increase business risk. The nature of our business subjects us to product liability, property damage, and personal injury claims, especially in connection with products we manufacture that our customers install along US highways or that our customers use to transport hazardous, flammable, toxic, or explosive materials. Over the last several years, insurance carriers have raised premiums for many companies operating in our industries. Increased premiums may further increase our insurance expense as coverage expires or otherwise cause us to raise our self-insured retention. If the number or severity of claims within our self-insured retention increases, we could suffer costs in excess of the reserves we maintain for the reasonably estimable liability in such claims or such number. Also the severity of such claims could expose us to uninsured damages if we were unable or elected not to insure against certain hazards because of high premiums or other reasons. While our liability insurance coverage is at or above levels based on commercial norms in our industries, an unusually large liability claim or a string of claims coupled with an unusually large damage award could exceed our liability insurance coverage. In addition, the availability of, and our ability to collect on, insurance coverage is often subject to factors beyond our control. If any of our third-party insurers fail, cancel our coverage, or otherwise are unable to provide us with adequate insurance coverage, then our overall risk exposure and our operational expenses would increase and the management of our business operations would be disrupted. Moreover, any accident or incident involving our industries in general or us or our products specifically, even if we are fully insured, contractually indemnified, or not held to be liable, could negatively affect our reputation among customers and the public, thereby making it more difficult for us to compete effectively, and could significantly affect the cost and availability of insurance in the future.

Many of our products are sold to leasing companies, contractors, distributors, and installers who may misuse, abuse, improperly install or improperly or inadequately maintain or repair such products thereby potentially exposing the Company to claims that could increase our costs and weaken our financial condition. The products we manufacture are designed to work optimally when properly operated, installed, repaired, and maintained. When this does not occur, the Company may be subjected to claims or litigation associated with injuries or property damage.

Risks related to our operations outside of the U.S., particularly Mexico, could decrease our profitability. Our operations outside of the U.S. are subject to the risks associated with cross-border business transactions and activities. Political, legal, trade, economic change or instability, unrestrained criminal activities, or social unrest could limit or curtail our respective foreign business activities and operations, including the ability to hire and retain employees. Violence in Mexico associated with drug trafficking has not abated. We have not, to date, been materially affected by any of these risks, but we cannot predict the likelihood of future effects from such risks or any resulting adverse impact on our business, results of operations, or financial condition. Many items manufactured by us in Mexico are sold primarily in the U.S. and the transportation and import of such products may be disrupted. Some foreign countries where we operate have regulatory authorities that regulate railroad safety, railcar and railcar component part design, performance, and manufacture of equipment used on their railroad systems. If we fail to obtain and maintain certifications of our railcars and railcar parts and components within the various foreign countries where we operate, we may be unable to market and sell our railcars, parts, and components in those countries. In addition, unexpected changes in laws, rules, and regulatory requirements; tariffs and other trade barriers, including regulatory initiatives for buying goods produced in America;

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more stringent or restrictive laws, rules, and regulations relating to labor or the environment; adverse tax consequences; and price exchange controls could limit operations affecting production throughput and making the manufacture and distribution of our products less timely or more difficult. Furthermore, any material change in the quotas, regulations, or duties on imports imposed by the U.S. government and agencies, or on exports by the government of Mexico or its agencies, could affect our ability to export products that we manufacture in Mexico. Because we have operations outside the U.S., we could be adversely affected by final judgments of non-compliance with the U.S. Foreign Corrupt Practices Act or import/export rules and regulations and similar anti-corruption or import/export laws of other countries.

Equipment failures or extensive damage to our facilities, including as might occur as a result of natural disasters, could lead to production, delivery, or service curtailments or shutdowns, loss of revenue or higher expenses. We operate a substantial amount of equipment at our production facilities, several of which are situated in tornado and hurricane zones and on navigable waterways in the U.S. An interruption in production capabilities or maintenance and repair capabilities at our facilities, as a result of equipment failure or acts of nature, including non-navigation orders resulting from low-water conditions issued from time to time by the U.S. Army Corps of Engineers on one or more U.S. rivers which serve our facilities, could reduce or prevent our production, delivery, service, or repair of our products and increase our costs and expenses. A halt of production at any of our manufacturing facilities could severely affect delivery times to our customers. While we maintain business recovery plans that are intended to allow us to recover from natural disasters that could disrupt our business, we cannot provide assurances that our plans would fully protect us from the effects of all such disasters. In addition, insurance may not adequately compensate us for any losses incurred as a result of natural or other disasters, which may adversely affect our financial condition. Any significant delay in deliveries not otherwise contractually mitigated by favorable force majeure provisions could result in cancellation of all or a portion of our orders, cause us to lose future sales, and negatively affect our reputation and our results of operations.

Because we do not have employment contracts with our key management employees, we may not be able to retain their services in the future. Our success depends on the continued services of our key management employees, none of whom currently have an employment agreement with us. Although we have historically been largely successful in retaining the services of our key management, we may not be able to do so in the future. The loss of the services of one or more key members of our management team could result in increased costs associated with attracting and retaining a replacement and could disrupt our operations and result in a loss of revenues.

Repercussions from terrorist activities or armed conflict could harm our business. Terrorist activities, anti-terrorist efforts, and other armed conflict involving the U.S. or its interests abroad may adversely affect the U.S. and global economies, potentially preventing us from meeting our financial and other obligations. In particular, the negative impacts of these events may affect the industries in which we operate. This could result in delays in or cancellations of the purchase of our products or shortages in raw materials, parts, or components. Any of these occurrences could have a material adverse impact on our operating results, revenues, and costs.

Violations of or changes in the regulatory requirements applicable to the industries in which we operate may increase our operating costs. Our railcar manufacturing and leasing businesses are regulated by multiple governmental regulatory agencies such as the USEPA; the USDOT and the administrative agencies it oversees, including the FRA, PHMSA, and the Research and Special Programs Administration; and industry authorities such as the AAR. All such agencies and authorities promulgate rules, regulations, specifications, and operating standards affecting railcar design, configuration, and mechanics; maintenance, and rail-related safety standards for railroad equipment, tracks, and operations, including the packaging and transportation of hazardous or toxic materials. Future regulatory changes in the rail industry, including rules, regulations, and specifications mandating modified railcar designs, configurations, materials, and equipment could affect compliance costs and may have a material adverse effect on our financial condition and operations.

Recent derailments in North America of trains transporting crude oil have caused various U.S. and Canadian regulatory agencies and industry organizations, as well as community governments, to focus attention on transportation by rail of flammable materials. In July and August of 2014, PHMSA and TC, published notices of proposed rulemakings seeking interested party comments on potential regulatory initiatives pertaining to the transportation of flammable materials by rail. Regulatory certainty from PHMSA and TC is expected in 2015. While the regulatory process itself and the scope of any potential regulatory change is uncertain, any final rule or rules may or may not materially impact the rail industry as a whole; railroad operations; older and newer tank railcars that meet or exceed currently mandated PHMSA and TC standards; future tank railcar specifications; market decisions relative to capital investment in rail products; and the capability of the nation’s railcar manufacturing, repair and maintenance infrastructure to implement mandated modification configurations or new construction. The Company cannot assure that costs incurred to comply with standards and regulations emerging from PHMSA’s and TC's rulemaking processes will not be material to the Company’s financial position or results of operations.

Our Inland Barge operations are subject to regulation by the U.S. Coast Guard; the U.S. National Transportation Safety Board; the U.S. Customs Service; the Maritime Administration of the U.S. Department of Transportation; and private industry organizations

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such as the American Bureau of Shipping. These organizations establish safety criteria, investigate vessel accidents and recommend improved safety standards.

Our Construction Products Group is subject to regulation by the USDOT; the FHWA; and state highway departments and administrative agencies. These organizations establish certain standards, specifications, and product testing criteria related to the manufacture of our highway products. If our products were found to be not in compliance with these standards, specifications, or product testing criteria, or if additional testing criteria not previously contemplated by the applicable rules or regulations are required, we could be required to re-qualify our products for installation on state and national highways, recall products already in use or installed, or replace products in use or installed with other products manufactured by us or manufactured by our competitors.

Our operations are also subject to regulation of health and safety matters by the U.S. Occupational Safety and Health Administration and the U.S. Mine Safety and Health Administration. Although we believe we employ appropriate precautions to protect our employees and others from workplace injuries and harmful exposure to materials handled and managed at our facilities, claims that may be asserted against us for work-related illnesses or injury, and the further adoption of occupational and mine safety and health regulations in the U.S. or in foreign jurisdictions in which we operate could increase our operating costs. We are unable to predict the ultimate cost of compliance with these health and safety laws and regulations.

Some of our customers place orders for our products in reliance on their ability to utilize tax benefits or tax credits such as accelerated depreciation or the production tax credit for renewable energy, or to recover the cost of products acquired to comply with federal requirements or standards. There is no assurance that the U.S. government will reauthorize, modify, or otherwise not allow the expiration of such tax benefits, tax credits, or reimbursement policies, and in cases where such subsidies and policies are materially modified to reduce the available benefit, credit, or reimbursement or are otherwise allowed to expire, the demand for our products could decrease, thereby creating the potential for a material adverse effect on our financial condition or results of operations.

We may be required to reduce the value of our long-lived assets and/or goodwill, which would weaken our financial results. We periodically evaluate for potential impairment the carrying values of our long-lived assets to be held and used. The carrying value of a long-lived asset to be held and used is considered impaired when the carrying value is not recoverable through undiscounted future cash flows and the fair value of the asset is less than the carrying value. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risks involved or market quotes as available. Impairment losses on long-lived assets held for sale are determined in a similar manner, except that fair values are reduced commensurate with the estimated cost to dispose of the assets. In addition, goodwill is required to be tested for impairment annually, or on an interim basis whenever events or circumstances change, indicating that the carrying amount of the goodwill might be impaired. Impairment losses related to reductions in the value of our long-lived assets or our goodwill could weaken our financial condition and results of operations.

We may incur increased costs due to fluctuations in interest rates and foreign currency exchange rates. We are exposed to risks associated with fluctuations in interest rates and changes in foreign currency exchange rates. Under varying circumstances, we may seek to minimize these risks through the use of interest rate hedges and similar financial instruments and other activities, although these measures, if and when implemented, may not be effective. Any material and untimely changes in interest rates or exchange rates could result in significant losses to us.

Railcars as a significant mode of transporting freight could decline, become more efficient over time, experience a shift in types of modal transportation, and/or certain railcar types could become obsolete. As the freight transportation markets we serve continue to evolve and become more efficient, the use of railcars may decline in favor of other more economic transportation modalities or the number of railcars needed to transport current or an increasing volume of goods may decline. Features and functionality specific to certain railcar types could result in those railcars becoming obsolete as customer requirements for freight delivery change or as regulatory mandates are promulgated that affect railcar design, configuration, and manufacture.

Business, regulatory, and legal developments regarding climate change may affect the demand for our products or the ability of our critical suppliers to meet our needs. We have followed the current debate over climate change in general, and the related science, policy discussion, and prospective legislation. Additionally, the potential challenges and opportunities for the Company that climate change policy and legislation may pose have been reviewed. However, any such challenges or opportunities are heavily dependent on the nature and degree of climate change legislation and the extent to which it applies to our industries. At this time, the Company cannot predict the ultimate impact of climate change and climate change legislation on the Company's operations or opportunities. Potential opportunities could include greater demand for wind towers and certain types of railcars, while potential challenges could include decreased demand for certain types of railcars and higher energy costs. Further, when or if these impacts may occur cannot be assessed until scientific analysis and legislative policy are more developed and specific legislative proposals begin to take shape.

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Changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies could adversely affect our financial results. Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Some of these policies require use of estimates and assumptions that may affect the reported value of our assets or liabilities and financial results and are critical because they require management to make difficult, subjective, and complex judgments about matters that are inherently uncertain. Accounting standard setters and those who interpret the accounting standards (such as the Financial Accounting Standards Board, the SEC, and our independent registered public accounting firm) may amend or even reverse their previous interpretations or positions on how these standards should be applied. These changes can be difficult to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements. For a further discussion of some of our critical accounting policies and standards and recent accounting changes, see Critical Accounting Policies and Estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 1 Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements.

Shortages of skilled labor could adversely impact our operations. We depend on skilled labor in the manufacture, maintenance, and repair of our products. Some of our facilities are located in areas where demand for skilled laborers may exceed supply. Shortages of some types of skilled laborers, such as welders, could restrict our ability to maintain or increase production rates and could increase our labor costs.

Some of our employees belong to labor unions, and strikes or work stoppages could adversely affect our operations. We are a party to collective bargaining agreements with various labor unions at some of our operations in the U.S. and all of our operations in Mexico. Disputes with regard to the terms of these agreements or our potential inability to negotiate acceptable contracts with these unions in the future could result in, among other things, strikes, work stoppages or other slowdowns by the affected workers. We cannot be assured that our relations with our workforce will remain positive or that union organizers will not be successful in future attempts to organize at some of our facilities. If our workers were to engage in a strike, work stoppage or other slowdown, or other employees were to become unionized, or the terms and conditions in future labor agreements were renegotiated, we could experience a significant disruption of our operations and higher ongoing labor costs. In addition, we could face higher labor costs in the future as a result of severance or other charges associated with lay-offs, shutdowns or reductions in the size and scope of our operations or difficulties of restarting our operations that have been temporarily shuttered.

From time to time we may take tax positions that the Internal Revenue Service or other taxing jurisdictions may contest. We have in the past and may in the future take tax positions that the Internal Revenue Service (“IRS”) or other taxing jurisdictions may challenge. We are required to disclose to the IRS as part of our tax returns particular tax positions in which we have a reasonable basis for the position but not a "more likely than not" chance of prevailing. If the IRS successfully contests a tax position that we take, we may be required to pay additional taxes or fines which may not have been previously accrued that may adversely affect our results of operations and financial position.

Our inability to produce and disseminate relevant and/or reliable data and information pertaining to our business in an efficient, cost-effective, secure, and well-controlled fashion may have significant negative impacts on confidentiality requirements and obligations and proprietary needs and expectations and, therefore, our future operations, profitability, and competitive position. Management relies on information technology infrastructure and architecture, including hardware, network, software, people, and processes to provide useful and confidential information to conduct our business in the ordinary course, including correspondence and commercial data and information interchange with customers, suppliers, legal counsel, governmental agencies, and financial institution consultants, and to support assessments and conclusions about future plans and initiatives pertaining to market demands, operating performance, and competitive positioning. In addition, any material failure, interruption of service, compromised data security, or cybersecurity threat could adversely affect our relations with suppliers and customers, place us in violation of confidentiality and data protection laws, rules, and regulations, and result in negative impacts to our market share, operations, and profitability. Security breaches in our information technology could result in theft, destruction, loss, misappropriation, or release of confidential data or intellectual property which could adversely impact our future results.

Discord, conflict, and lack of compromise within and amongst the executive and legislative branches of the U.S. government relative to federal government budgeting, taxation policies, government expenditures, and U.S. borrowing/debt ceiling limits could adversely affect our business and operating results. The legislative and executive branches of the U.S. government have encountered one or more impasses or deadlocks relative to federal government budgeting, tax revenue requirements, deficit spending, and management of short and long term U.S. government borrowing, debt ratings, and debt ceiling adjustments. Continuing impasse or deadlock could negatively impact U.S. domestic and global financial markets thereby reducing demand by our customers for our products and services and potentially result in reductions in our revenues, increased price competition, or increased operating costs, any of which could adversely affect our business results of operations and financial condition.

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The Company could potentially fail to successfully integrate new businesses or products into its current business. The Company routinely engages in the search for growth opportunities, including assessment of merger and acquisition prospects in new markets and/or products. Any merger or acquisition in which the Company becomes involved and ultimately concludes is subject to integration into the Company's businesses and culture. If such integration is unsuccessful to any material degree, such lack of success could result in unexpected claims or otherwise have a material adverse effect on our business, operations, or overall financial condition.

Additional Information. Our Internet website address is www.trin.net. Information on the website is available free of charge. We make available on our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments thereto, as soon as reasonably practicable after such material is filed with, or furnished to, the SEC. The contents of our website are not intended to be incorporated by reference into this report or in any other report or document we file and any reference to our website is intended to be an inactive textual reference only.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We principally operate in various locations throughout the U.S. and in Mexico and Canada. Our facilities are considered to be in good condition, well maintained, and adequate for our purposes.

	Approximate Square Feet		Approximate Square Feet Located In		
	Owned	Leased	US	Mexico	Canada
Rail Group	6,586,100	129,500	4,638,800	2,076,800	—
Construction Products Group	1,859,500	101,900	1,930,300	31,100	—
Inland Barge Group	996,700	81,000	1,077,700	—	—
Energy Equipment Group	2,805,800	554,600	2,589,100	687,900	83,400
Corporate Offices	231,200	3,100	211,000	23,300	—
	12,479,300	870,100	10,446,900	2,819,100	83,400

Our estimated weighted average production capacity utilization for the twelve month period ended December 31, 2014 is reflected by the following percentages:

	Production Capacity Utilized	
Rail Group	90	%
Construction Products Group	65	%
Inland Barge Group	85	%
Energy Equipment Group	85	%

Item 3. Legal Proceedings.

See Note 18 of the Notes to Consolidated Financial Statements.

Item 4. Mine Safety Disclosures

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

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded on the New York Stock Exchange under the ticker symbol “TRN”. The following table shows the closing price range of our common stock by quarter for the years ended December 31, 2014 and 2013[(1)].

	Prices	
Year Ended December 31, 2014	High	Low
Quarter ended March 31, 2014	$37.32	$27.08
Quarter ended June 30, 2014	43.74	33.82
Quarter ended September 30, 2014	50.30	41.56
Quarter ended December 31, 2014	43.12	26.57
Year Ended December 31, 2013	High	Low
Quarter ended March 31, 2013	$22.70	$18.10
Quarter ended June 30, 2013	22.31	17.65
Quarter ended September 30, 2013	23.09	17.88
Quarter ended December 31, 2013	28.33	21.79

[(1)]Stock prices have been adjusted to reflect a 2-for-1 stock split issued in the form of a 100% stock dividend in June 2014.

Our transfer agent and registrar as of December 31, 2014 was American Stock Transfer & Trust Company.

Holders

At December 31, 2014, we had 1,885 record holders of common stock. The par value of the common stock is $1.00 per share.

Dividends

Trinity has paid 203 consecutive quarterly dividends. Quarterly dividends declared by Trinity for the years ended December 31, 2014 and 2013 are as follows[(2)]:

	Year Ended December 31,	
	2014	2013
Quarter ended March 31,	$0.075	$0.055
Quarter ended June 30,	0.100	0.065
Quarter ended September 30,	0.100	0.075
Quarter ended December 31,	0.100	0.075
Total	$0.375	$0.270

[(2)]Per share amounts have been adjusted to reflect a 2-for-1 stock split issued in the form of a 100% stock dividend in June 2014.

Recent Sales of Unregistered Securities

None.

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Performance Graph

The following Performance Graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that the Company specifically incorporates it by reference into such filing.

The following graph compares the Company's cumulative total stockholder return (assuming reinvestment of dividends) during the five-year period ended December 31, 2014 with an overall stock market index (New York Stock Exchange Composite Index) and the Company's peer group index (Dow Jones US Commercial Vehicles & Trucks Index). The data in the graph assumes $100 was invested on December 31, 2009.

	2009	2010	2011	2012	2013	2014
Trinity Industries, Inc.	100	155	177	214	331	343
Dow Jones US Commercial Vehicles & Trucks Index	100	165	145	162	194	201
New York Stock Exchange Composite Index	100	114	110	128	161	172

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Issuer Purchases of Equity Securities N EED

This table provides information with respect to purchases by the Company of shares of its common stock during the quarter ended December 31, 2014:

Period	Number of Shares Purchased (1)	Average Price Paid per Share (1)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (2)
October 1, 2014 through October 31, 2014	2,358	$36.98	—	$218,529,671
November 1, 2014 through November 30, 2014	441	$35.01	—	$218,529,671
December 1, 2014 through December 31, 2014	299	$28.85	—	$218,529,671
Total	3,098	$35.91	—	$218,529,671

(1) These columns include the following transactions during the three months ended December 31, 2014: (i) the surrender to the Company of 618 shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock issued to employees and (ii) the purchase of 2,480 shares of common stock by the Trustee for assets held in a non-qualified employee profit-sharing plan trust.

(2) In March 2014, the Company's Board of Directors authorized a new $250 million share repurchase program that expires on December 31, 2015 and replaced the Company's previously authorized $200 million share repurchase program. Under the new program, no shares were repurchased during the three months ended December 31, 2014. The approximate dollar value of shares that were eligible to be repurchased under such share repurchase program is shown as of the end of such month or quarter.

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Item 6. Selected Financial Data.

The following financial information for the five years ended December 31, 2014 has been derived from our audited consolidated financial statements. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included elsewhere herein.

	Year Ended December 31,				
	2014	2013	2012	2011	2010
	(in millions, except percent and per share data)				
Statement of Operations Data:					
Revenues	$6,170.0	$4,365.3	$3,811.9	$2,938.3	$1,930.7
Operating profit	1,251.0	772.9	574.8	426.8	294.2
Income from continuing operations	709.3	386.1	251.9	146.8	69.4
Gain on sale of discontinued operations, net of provision for income taxes of $-, $5.4, $-, $-, and $-	—	7.1	—	—	—
Income (loss) from discontinued operations, net of provision (benefit) for income taxes of $-, $(0.8), $1.1, $(0.4), and $3.6	—	(0.8)	1.8	(1.1)	6.0
Net income	$709.3	$392.4	$253.7	$145.7	$75.4
Net income attributable to Trinity Industries, Inc.	$678.2	$375.5	$255.2	$142.2	$67.4
Net income attributable to Trinity Industries, Inc. per common share:					
Basic:					
Continuing operations	$4.35	$2.34	$1.59	$0.89	$0.39
Discontinued operations	—	0.04	0.01	(0.01)	0.04
	$4.35	$2.38	$1.60	$0.88	$0.43
Diluted:					
Continuing operations	$4.19	$2.34	$1.58	$0.89	$0.39
Discontinued operations	—	0.04	0.01	(0.01)	0.04
	$4.19	$2.38	$1.59	$0.88	$0.43
Weighted average number of shares outstanding:					
Basic	151.0	152.8	154.7	154.9	153.7
Diluted	156.7	152.9	155.1	155.4	154.0
Dividends declared per common share	$0.375	$0.270	$0.210	$0.175	$0.160
Balance Sheet Data:					
Total assets	$8,733.8	$7,313.4	$6,669.9	$6,121.0	$5,760.0
Debt - recourse	$829.3	$419.0	$458.1	$455.0	$449.4
Debt - non-recourse	$2,723.7	$2,570.8	$2,596.9	$2,517.2	$2,457.4
Stockholders' equity	$3,397.4	$2,749.1	$2,137.6	$1,948.3	$1,845.7
Ratio of total debt to total capital	51.1%	52.1%	58.8%	60.4%	61.2%
Book value per share	$21.83	$17.75	$13.52	$12.15	$11.57

Per share and share amounts have been adjusted to reflect a 2-for-1 stock split issued in the form of a 100% stock dividend in June 2014.

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Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

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

- Company Overview
- Executive Summary
- Results of Operations
- Liquidity and Capital Resources
- Contractual Obligations and Commercial Commitments
- Critical Accounting Policies and Estimates
- Recent Accounting Pronouncements
- Forward-Looking Statements

Our MD&A should be read in conjunction with our Consolidated Financial Statements and related Notes in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

Company Overview

Trinity Industries, Inc., headquartered in Dallas, Texas, is a diversified industrial company that owns market-leading businesses providing products and services to the energy, transportation, chemical, and construction sectors. We operate in five distinct business groups which we report on a segment basis: the Rail Group, Construction Products Group, Inland Barge Group, Energy Equipment Group, and Railcar Leasing and Management Services Group. We also report the All Other segment which includes the Company's captive insurance and transportation companies; legal, environmental, and maintenance costs associated with non-operating facilities; and other peripheral businesses.

Our Rail and Inland Barge Groups and our structural wind towers, utility structures, and storage and distribution containers businesses operate in cyclical industries. Results in our Construction Products and Energy Equipment Groups are subject to seasonal fluctuations with the first quarter historically being the weakest quarter. Railcar sales from the lease fleet are the primary driver of fluctuations in results in the Railcar Leasing and Management Services Group.

Demand conditions and corresponding order levels for new railcars continue to be favorable across a wide variety of industries. While demand conditions and corresponding order levels for barges serving the oil and gas markets have slowed recently, favorable conditions exist long term for barges in the chemical and petrochemical markets. In other markets, such as agricultural products, demand has recently been strong for hopper barges. Budgetary constraints at the Federal and state levels, and pending litigation in our Highway Products business have negatively impacted the results of our Construction Products Group.
We continually assess our manufacturing capacity and take steps to align our production capacity with demand for our products. Due to improvements in demand for certain products, we have continued to increase production staff at certain facilities. We expect that facilities on non-operating status will be available for future operations should demand increase further.

Executive Summary

The Company’s revenues for 2014 were $6.2 billion, representing an increase of $1.8 billion or 41% over last year. Operating profit increased to $1.3 billion compared to $0.8 billion last year for an increase of 61.9%. Operating margin improved to 20.3% in 2014 from 17.7% in 2013. The increase in revenues for 2014, when compared to the prior year, resulted primarily from higher shipment volumes and higher pricing due to increased overall demand and a more favorable product mix in our Rail Group. Additionally, our Leasing Group experienced significantly higher revenues from external railcar sales along with higher leasing and management revenues related to higher utilization and rental rates. Revenues in our Energy Equipment Group increased primarily due to higher volumes and acquisitions. Revenues in our Construction Products Group were higher in our Aggregates business due to acquisitions and higher volumes. Increased deliveries and a more favorable product mix led to higher revenues for our Inland Barge Group. Overall operating profit and margin grew for the year ended December 31, 2014, when compared with the prior year, primarily due to higher shipment levels and the effects of a more favorable product mix in our Rail Group, higher railcar sales from our Leasing Group, and increased volumes in our Construction Products, Inland Barge, and Energy Equipment Groups. Selling, engineering, and administrative expenses increased for the year ended December 31, 2014, primarily due to increased staffing and higher performance-related compensation costs in addition to increased legal expenses. The Company's headcount, including both production and non-production personnel, has increased approximately 20% since the end of 2013 primarily due to production expansion and acquisitions. Net income from continuing operations for the year ended December 31, 2014 was $709.3 million and increased $323.2 million or 83.7% over the prior year. Net income attributable to Trinity Industries, Inc. common stockholders for the year ended December 31, 2014 was $678.2 million and increased $302.7 million or 80.6% over the prior year.

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As of December 31, 2014 and 2013 our backlog of firm and noncancellable orders was as follows:

	December 31, 2014	December 31, 2013
	(in millions)	
Rail Group		
External Customers	$5,204.3	$4,189.6
Leasing Group	2,010.5	827.0
	$7,214.8	$5,016.6
Inland Barge Group	$437.9	$429.6
Wind towers	$473.5	$553.9

For the twelve months ended December 31, 2014, our rail manufacturing businesses received orders for 51,395 railcars, including a multi-year railcar order received in November 2014 from GATX Corporation to deliver 8,950 railcars over a four-year period beginning in 2016. The increase in backlog as of December 31, 2014 reflects the value of orders taken during the year. The orders in our backlog from the Leasing Group are fully supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery as directed by our customers. Approximately 55% of our railcar backlog is expected to be delivered in the twelve months ending December 31, 2015 with the remainder to be delivered from 2016 through 2020. All of our Inland Barge backlog is expected to be delivered in the twelve months ending December 31, 2015. Deliveries for multi-year barge agreements are included in the backlog when specific production quantities for future years have been determined. Approximately 57% of our structural wind towers backlog is expected to be delivered in the twelve months ending December 31, 2015 with the remainder to be delivered in 2016. The Company does not report backlog from its utility structures business because certain contracts contain partial order cancellation provisions.

Capital expenditures for 2014 were $464.6 million with $245.3 million utilized for net lease fleet additions, net of deferred profit of $133.1 million. Manufacturing and corporate capital expenditures for 2015 are projected to be between $250.0 million and $300.0 million. For 2015, we expect the annual net cash investment in new railcars in our lease fleet to be between $55.0 million and $70.0 million after considering the expected proceeds received from leased railcar sales during the year.

During the year ended December 31, 2014, the Company received proceeds of $882.7 million from the sale of leased railcars to Element Financial Corporation ("Element") under the strategic alliance with Element announced in December 2013, including $200.4 million recorded as revenue by the Rail Group. From the total proceeds received from Element, the Leasing Group recorded $446.6 million in revenue from the sale of railcars owned one year or less at the time of sale. The remainder of the proceeds of $235.7 million is attributable to the sale of railcars owned more than one year at the time of sale and is, consequently, excluded from revenue. Since the inception of our alliance, the Company has received proceeds of $987.7 million from the sale of leased railcars to Element.

In March 2014, the Company’s Board of Directors authorized a new $250 million share repurchase program that expires on December 31, 2015 and replaced the Company's previously authorized $200 million share repurchase program. Under the new program, 747,246 shares were repurchased during the year ended December 31, 2014, at a cost of $31.5 million.

In May 2014, the Company's partially-owned leasing subsidiary, TRIP Rail Holdings LLC ("TRIP Holdings"), acquired $388 million in railcar equipment from Trinity Industries Leasing Company ("TILC"). In connection with this portfolio purchase, TRIP Master Funding issued $335.7 million in aggregate principal amount of Series 2014-1 Secured Railcar Equipment Notes pursuant to the Master Indenture between TRIP Master Funding and Wilmington Trust Company, as indenture trustee, with a final maturity date of April 2044. The TRIP Master Funding Series

2014-1 Secured Railcar Equipment Notes consist of two classes with the Class A-1 notes bearing interest at 2.86% and the Class A-2 notes bearing interest at 4.09%. The TRIP Master Funding Secured Railcar Equipment Notes are non-recourse to Trinity, TILC, TRIP Holdings, and the other equity investors in TRIP Holdings and are secured by TRIP Master Funding's portfolio of railcars and operating leases thereon, its cash reserves, and all other assets owned by TRIP Master Funding. As of December 31, 2014, there were $108.7 million and $220.7 million of Class A-1 and Class A-2 notes outstanding, respectively. The remainder of the purchase price was provided by TILC and the third-party investors of TRIP Holdings who contributed $21.6 million and $49.6 million, respectively, net of expenses.

In May 2014, the Company's Board of Directors authorized a 2-for-1 stock split. The stock split was issued in the form of a 100% stock dividend. The additional shares were distributed on June 19, 2014, to shareholders of record at the close of business on June 5, 2014. All share and per share information, including dividends, has been retroactively adjusted to reflect the 2-for-1 stock split, except for the statement of stockholders' equity which will reflect the stock split by reclassifying from "Capital in Excess of Par Value" to "Common Stock" in the amount of $78.0 million which equals the par value of the additional shares issued to effect the stock split.

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Additionally, the Company increased its quarterly dividend in May 2014 by 33%. On a stock-split adjusted basis, the Company increased its quarterly dividend to $0.10 per share compared to the previous, split-adjusted level of $0.075 per share.

In August 2014, Trinity completed its acquisition of the assets of Meyer, the utility steel structures division of Thomas & Betts Corporation, a member of the ABB Group, for approximately $595.6 million in cash. Meyer is one of North America's leading providers of tubular steel structures for electricity transmission and distribution. During the year ended December 31, 2014, we completed the acquisitions of the assets of WesMor Cryogenic Companies and Alloy Custom Products, Inc., expanding the Company's engineering and manufacturing capabilities to provide cryogenic storage and distribution products. We also completed the acquisition of the assets of Platinum Energy Services Corporation in Alberta, Canada, a manufacturer and seller of oil and gas process and storage equipment as well as the acquisition of a galvanizing services business located in Texas.

In September 2014, the Company issued $400.0 million aggregate principal amount of 4.55% senior notes ("Senior Notes") due October 2024. Interest on the Senior Notes is payable semiannually commencing April 1, 2015. The Senior Notes rank senior to existing and future subordinated debt including the Company's Convertible Subordinated Notes and rank equal to existing and future senior indebtedness, including the Company's revolving credit facility. The Senior Notes are subordinated to all the Company's existing and future secured debt to the extent of the value of the collateral securing such indebtedness. The Senior Notes could restrict our ability to incur additional debt; make certain distributions, investments, and other restricted payments; create certain liens; and consolidate, merge, or transfer all or substantially all of our assets. The Company’s Senior Notes are fully and unconditionally and jointly and severally guaranteed by certain of Trinity’s 100%-owned subsidiaries. See Note 19 of the Notes to the Consolidated Financial Statements for Financial Statements for Guarantors of the Senior Notes. Proceeds from the note issuance are intended to be used for general corporate purposes.

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Results of Operations

Years Ended December 31, 2014, 2013, and 2012

Overall Summary for Continuing Operations

Revenues

	Year Ended December 31, 2014			
	Revenues			Percent Change
	External	Intersegment	Total	2014 versus 2013
	($ in millions)			
Rail Group	$3,077.6	$739.2	$3,816.8	33.1 %
Construction Products Group	546.1	5.6	551.7	5.1
Inland Barge Group	638.5	—	638.5	10.7
Energy Equipment Group	796.0	196.3	992.3	49.1
Railcar Leasing and Management Services Group	1,106.4	11.9	1,118.3	73.3
All Other	5.4	105.0	110.4	27.5
Segment Totals before Eliminations	6,170.0	1,058.0	7,228.0	34.7
Eliminations – Lease subsidiary	—	(710.1)	(710.1)	
Eliminations – Other	—	(347.9)	(347.9)	
Consolidated Total	$6,170.0	$—	$6,170.0	41.3 %

	Year Ended December 31, 2013			
	Revenues			Percent Change
	External	Intersegment	Total	2013 versus 2012
	($ in millions)			
Rail Group	$2,093.5	$774.0	$2,867.5	42.4 %
Construction Products Group	508.6	16.4	525.0	8.5
Inland Barge Group	576.6	0.1	576.7	(14.6)
Energy Equipment Group	536.5	128.9	665.4	19.1
Railcar Leasing and Management Services Group	645.4	—	645.4	(0.3)
All Other	4.7	81.9	86.6	6.4
Segment Totals before Eliminations	4,365.3	1,001.3	5,366.6	20.4
Eliminations – Lease subsidiary	—	(756.5)	(756.5)	
Eliminations – Other	—	(244.8)	(244.8)	
Consolidated Total	$4,365.3	$—	$4,365.3	14.5 %

	Year Ended December 31, 2012		
	Revenues		
	External	Intersegment	Total
	($ in millions)		
Rail Group	$1,512.1	$500.9	$2,013.0
Construction Products Group	461.2	22.5	483.7
Inland Barge Group	675.2	—	675.2
Energy Equipment Group	506.0	52.6	558.6
Railcar Leasing and Management Services Group	644.4	2.7	647.1
All Other	13.0	68.4	81.4
Segment Totals before Eliminations	3,811.9	647.1	4,459.0
Eliminations – Lease subsidiary	—	(485.9)	(485.9)

Eliminations – Other	—	(161.2)	(161.2)
Consolidated Total	$3,811.9	$—	$3,811.9

Our revenues for the year ended December 31, 2014, increased by 41.3% from the previous year. The increase was primarily due to higher shipment volumes and pricing due to increased overall demand and a more favorable product mix in our Rail Group combined with the effects of higher volumes in our Construction Products, Inland Barge, and Energy Equipment Groups. In addition to higher volumes, revenues from our Inland Barge Group increased as a result of favorable product mix changes while an increase in revenues from our Energy Equipment Group was primarily due to acquisitions completed in 2014. Our Leasing Group experienced higher leasing and management revenues due to increased rental rates and higher utilization as well as higher external railcar sales.

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Our revenues for the year ended December 31, 2013, increased by 14.5% from the previous year. The overall increase was primarily due to higher shipment volumes and a favorable change in product mix in our Rail Group, acquisition-related higher shipment volumes in the Aggregates and Other product lines of our Construction Products Group, and higher revenues in our Energy Equipment Group resulting primarily from increased demand for storage and distribution container vessels and other product lines. Lower revenues in our Inland Barge Group were due to lower volumes and a less favorable product mix while revenues in our Railcar Leasing and Management Services Group were substantially unchanged as higher revenue from leasing and management were offset by lower revenues from railcar sales.

Operating Costs

Operating costs are comprised of cost of revenues; selling, engineering, and administrative costs; and gains or losses on property disposals.

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Rail Group	$3,092.7	$2,377.8	$1,814.0
Construction Products Group	486.3	472.4	438.9
Inland Barge Group	524.1	480.7	550.5
Energy Equipment Group	884.2	604.0	540.4
Railcar Leasing and Management Services Group	602.0	348.6	346.2
All Other	136.0	100.3	91.6
Segment Totals before Eliminations and Corporate Expenses	5,725.3	4,383.8	3,781.6
Corporate	119.0	73.4	51.5
Eliminations – Lease subsidiary	(577.0)	(621.1)	(435.1)
Eliminations – Other	(348.3)	(243.7)	(160.9)
Consolidated Total	$4,919.0	$3,592.4	$3,237.1

Operating costs for the year ended December 31, 2014, increased by 36.9% over the previous year primarily due to higher shipment levels in our manufacturing segments and higher railcar sales in our Leasing Group. Selling, engineering, and administrative expenses increased overall primarily due to higher performance-related compensation costs and increased staffing in addition to increased legal expenses. For 2013, the 11.0% increase in operating costs over the previous year was primarily due to higher shipment levels in our Rail, Construction Products, and Energy Equipment Groups. Operating costs from our Inland Barge Group decreased due to lower shipment volumes and a change in the mix of barge types. As a percentage of revenue, our selling, engineering, and administrative expenses were 6.5% for 2014 as compared to 6.7% for 2013 and 5.9% for 2012.

Operating Profit (Loss)

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Rail Group	$724.1	$489.7	$199.0
Construction Products Group	65.4	52.6	44.8
Inland Barge Group	114.4	96.0	124.7
Energy Equipment Group	108.1	61.4	18.2
Railcar Leasing and Management Services Group	516.3	296.8	300.9
All Other	(25.6)	(13.7)	(10.2)
Segment Totals before Eliminations and Corporate Expenses	1,502.7	982.8	677.4
Corporate	(119.0)	(73.4)	(51.5)

Eliminations – Lease subsidiary	(133.1)	(135.4)	(50.8)
Eliminations – Other	0.4	(1.1)	(0.3)
Consolidated Total	$1,251.0	$772.9	$574.8

Our operating profit for the year ended December 31, 2014 increased by 61.9% primarily as a result of higher shipments in our manufacturing segments as well as higher railcar sales in our Leasing Group. Our operating profit for the year ended December 31, 2013 increased by 34.5% primarily as a result of higher shipment levels in our Rail Group in addition to improved efficiencies in our Energy Equipment Group.

For a further discussion of revenues, costs, and the operating results of individual segments, see Segment Discussion below.

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

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Interest income	$(1.9)	$(2.1)	$(1.5)
Interest expense	193.4	187.3	194.7
Other, net	(4.6)	(2.8)	(4.3)
Consolidated Total	$186.9	$182.4	$188.9

Interest expense in 2014 increased $6.1 million over the prior year primarily due to the issuance of the Company's Senior Notes in September 2014. Interest expense in 2013 decreased $7.4 million over the prior year primarily due to the TRIP Holdings debt refinancing completed in May 2013. The increase in Other, net income for the year ended December 31, 2014 was primarily due to higher foreign currency translation gains. The decrease in Other, net income for the year ended December 31, 2013 was due to higher foreign currency translation gains in 2012 exceeding the gains recognized in 2013 from the change in fair value of certain equity repurchase agreements.

Income Taxes. The provision for income taxes results in effective tax rates that differ from the statutory rates. The following is a reconciliation between the statutory U.S. Federal income tax rate and the Company's effective income tax rate on income from continuing operations:

	Year Ended December 31,		
	2014	2013	2012
Statutory rate	35.0 %	35.0 %	35.0 %
State taxes	1.4	2.1	2.0
Domestic production activities deduction	(2.0)	(1.4)	—
Noncontrolling interest in partially-owned subsidiaries	(1.1)	(0.9)	—
Tax assessments and settlements	—	—	(0.6)
Changes in valuation allowances and reserves	0.1	(0.8)	(1.4)
Other, net	(0.1)	0.6	(0.3)
Effective rate	33.3 %	34.6 %	34.7 %

Our effective tax rate reflects a current tax benefit available for U.S. manufacturing activity in addition to income attributable to the noncontrolling interests in TRIP Holdings and RIV 2013. In 2013, TRIP Holdings and RIV 2013 elected to be treated as partnerships for income tax purposes and, consequently, no income tax expense has been provided with respect to income earned after this election attributable to the noncontrolling interests. See Note 5 of the Notes to the Consolidated Financial Statements for a further explanation of activities with respect to TRIP Holdings and RIV 2013. See Note 13 of the Notes to the Consolidated Financial Statements for a further discussion of income taxes.

Income from continuing operations before income taxes for the years ended December 31, 2014, 2013, and 2012 was $1,051.4 million, $571.2 million, and $376.3 million, respectively, for U.S. operations, and $12.6 million, $19.3 million, and $9.6 million, respectively, for foreign operations. The Company provides deferred income taxes on the un-repatriated earnings of its foreign operations where it results in a deferred tax liability.

At December 31, 2014, the Company had $33.5 million of Federal consolidated net operating loss carryforwards and $3.6 million of tax-effected state loss carryforwards remaining. The Federal net operating loss carryforwards were acquired as part of an acquisition of a company in 2010 and are subject to limitations on the amount that can be utilized in any one tax year. The Federal net operating loss carryforwards are due to expire in 2028 and 2029. We have established a valuation allowance for Federal, state, and foreign tax operating losses and credits which we have estimated may not be realizable.

The IRS field work for our 2006-2008 audit cycle has concluded and all issues, except for transfer pricing, have been agreed upon and tentatively settled. The transfer pricing issue has been appealed and we are working with both the U.S. and Mexican taxing authorities to coordinate taxation in a formal mutual agreement process ("MAP"). During 2013, we received the revenue agent report for the 2009-2011 audit cycle. All issues have been concluded and agreed to except for transfer pricing issues. The transfer pricing issues have been appealed and we have requested they be addressed in the same MAP as the 2006-2008 cycle. At this time, we cannot determine when the 2006-2008 or the 2009-2011 cycle will close and all issues formally settled.

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Income tax payments, net of refunds, compared to our current provision are different based on 1) when estimated tax payments are due as compared to when the income was earned, 2) changes in our uncertain tax positions that are reflected in current expense, and 3) excess tax benefits from stock-based compensation that are reflected in stockholders' equity. At December 31, 2014, the Company's consolidated income tax position was a net receivable of $48.3 million from Federal, state, and foreign jurisdictions whereas at December 31, 2013, the Company's tax position was a net payable of $28.9 million for a net change of $77.2 million. Income taxes paid, net of refunds, during the years ended December 31, 2014, 2013, and 2012 totaled $399.0 million, $110.9 million, and $18.4 million, respectively.

Segment Discussion

Rail Group

	Year Ended December 31,			Percent Change	
	2014	2013	2012	2014 versus 2013	2013 versus 2012
	($ in millions)				
Revenues:					
Rail	$3,674.8	$2,736.7	$1,850.5	34.3 %	47.9 %
Components	142.0	130.8	162.5	8.6	(19.5)
Total revenues	3,816.8	2,867.5	2,013.0	33.1	42.4
Operating costs:					
Cost of revenues	3,027.2	2,330.8	1,773.9	29.9	31.4
Selling, engineering, and administrative costs	65.5	47.0	40.1	39.4	17.2
Operating profit	$724.1	$489.7	$199.0	47.9	146.1
Operating profit margin	19.0 %	17.1 %	9.9 %		

As of December 31, 2014, 2013, and 2012 our Rail Group backlog of railcars was as follows:

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
External Customers	$5,204.3	$4,189.6	$2,867.5
Leasing Group	2,010.5	827.0	834.7
Total	$7,214.8	$5,016.6	$3,702.2

The changes in the number of railcars in the Rail Group backlog are as follows:

	Year Ended December 31,		
	2014	2013	2012
Beginning balance	39,895	31,990	29,000
Orders received	51,395	32,240	22,350
Shipments	(30,255)	(24,335)	(19,360)
Ending balance	61,035	39,895	31,990

Revenues increased for the year ended December 31, 2014 by 33.1% when compared with the prior year with approximately three-fourths of the increase resulting from higher unit deliveries and the remainder of the increase due to improved pricing and product mix changes. Cost of revenues increased for the year ended December 31, 2014 by 29.9% when compared with the prior year primarily due to an increase in unit deliveries.

Revenues increased for the year ended December 31, 2013 by 42.4% when compared to 2012 with slightly more than half of the increase resulting from an increase in unit deliveries and the remainder due to improved pricing and product mix changes. Cost of revenues increased for the year ended December 31, 2013 by 31.4% when compared with the prior year with approximately 80% of the increase resulting from an increase in unit deliveries and the remainder arising from product mix changes.

Unit increases and higher prices increased total backlog dollars by 43.8% when comparing December 31, 2014 to the prior year. The average selling price in the backlog at December 31, 2014 was 6.0% lower as compared to the previous year due to product mix changes. Backlog increased when comparing 2013 versus 2012 due to unit and price increases, as well as product mix change. The backlog dedicated to the Leasing Group is fully supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery as directed by our customers.

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For the year ended December 31, 2014, railcar shipments included sales to the Leasing Group of $710.1 million compared to $756.5 million in the comparable period in 2013, with a deferred profit of $133.1 million compared to $135.4 million for the same period in 2013. Results for the year ended December 31, 2012, included $485.9 million in sales to the Leasing Group with a deferred profit of $50.8 million. Sales to the Leasing Group and related profits are included in the operating results of the Rail Group but are eliminated in consolidation.

The Leasing Group purchases a portion of our railcar production, financing a portion of the purchase price through a non-recourse warehouse loan facility or cash, and periodically refinances those borrowings through equipment financing transactions. In 2014, the Leasing Group purchased 22.5% of our railcar production compared to 27.2% in 2013. On a segment basis, sales to the Leasing Group and related profits are included in the operating results of our Rail Group but are eliminated in consolidation.

Construction Products Group

	Year Ended December 31,			Percent Change	
	2014	2013	2012	2014 versus 2013	2013 versus 2012
	($ in millions)				
Revenues:					
Highway products	$317.6	$335.9	$376.1	(5.4)%	(10.7)%
Aggregates	152.1	112.7	65.1	35.0	73.1
Other	82.0	76.4	42.5	7.3	79.8
Total revenues	551.7	525.0	483.7	5.1	8.5
Operating costs:					
Cost of revenues	430.9	409.6	387.0	5.2	5.8
Selling, engineering, and administrative costs	67.8	63.3	52.0	7.1	21.7
Property disposition gains	(12.4)	(0.5)	(0.1)		
Operating profit	$65.4	$52.6	$44.8	24.3	17.4
Operating profit margin	11.9%	10.0%	9.3%		

Revenues increased for the year ended December 31, 2014 by 5.1% compared to the same period in 2013. During the year ended December 31, 2014, slightly more than half of the 35.0% increase in revenues in our Aggregates business was due to the timing of acquisitions and the remainder was due to increased sales volume. The 5.4% decrease in Highway Products revenue resulted from lower sales volumes. Cost of revenues increased by 5.2% for the year ended December 31, 2014 when compared to the prior year due to higher volumes in our Aggregates business partially offset by a $2.6 million gain from the settlement of certain liabilities related to Aggregates acquisitions in 2013. Selling, engineering, and administrative costs increased by 7.1% for the year ended December 31, 2014 compared to the same period in 2013 primarily due to higher compensation expenses. The property disposition gains for the year ended December 31, 2014 primarily related to the sale of certain land held by our Aggregates business.

Revenues increased for the year ended December 31, 2013 by 8.5% compared to the same period in 2012. Increases in revenue in our Aggregates and Other businesses were due to acquisitions while the 10.7% decrease in our Highway Products business was due to lower sales volumes. Similarly, cost of revenues increased by 5.8% for the year ended December 31, 2013, due to acquisition-related increases of approximately 15.6% offset by lower costs from lower Highway Products volumes of 9.8%. Selling, engineering, and administrative costs increased by 21.7% in 2013 primarily due to acquisitions.

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Inland Barge Group

	Year Ended December 31,			Percent Change	
	2014	2013	2012	2014 versus 2013	2013 versus 2012
	($ in millions)				
Revenues	$638.5	$576.7	$675.2	10.7 %	(14.6)%
Operating costs:					
Cost of revenues	506.6	461.5	538.9	9.8	(14.4)
Selling, engineering, and administrative costs	17.5	19.2	15.4	(8.9)	24.7
Property disposition gains	—	—	(3.8)		
Operating profit	$114.4	$96.0	$124.7	19.2	(23.0)
Operating profit margin	17.9 %	16.6 %	18.5 %		

Revenues increased for the year ended December 31, 2014 by 10.7% compared to the same period in 2013 with two-thirds of the increase resulting from higher delivery volumes and the remainder due to product mix changes. Cost of revenues increased at a lower rate than the increase in revenues for the year ended December 31, 2014 when compared to the same period in the prior year due to product mix changes. Selling, engineering, and administrative costs decreased for the year ended December 31, 2014 compared to the same period in 2013 due to a legal reserve regarding a matter originating over ten years ago involving a foreign subsidiary recorded during the three months ended March 31, 2013 as well as decreased employee-related and consulting costs.

Revenues decreased for the year ended December 31, 2013 by 14.6% compared to the same period in the prior year with two-thirds of the decrease resulting from lower delivery volumes and the remainder arising from a change in the mix of barge types. Cost of revenues decreased primarily due to product mix changes. Selling, engineering, and administrative costs increased by 24.7% for the year ended December 31, 2013 primarily as a result of increased employee-related and consulting costs as well as a legal reserve recorded during the three month period ended March 31, 2013 regarding a matter originating over ten years ago involving a foreign subsidiary. Operating costs for the year ended December 31, 2012 included a $3.4 million net gain from sales of barges previously included in property, plant, and equipment that were under lease to third-party customers.

As of December 31, 2014, the backlog for the Inland Barge Group was $437.9 million compared to $429.6 million as of December 31, 2013. Deliveries for multi-year barge agreements are included in the backlog when specific production quantities for future years have been determined.

Energy Equipment Group

	Year Ended December 31,			Percent Change	
	2014	2013	2012	2014 versus 2013	2013 versus 2012
	($ in millions)				
Revenues:					
Wind towers and utility structures	$454.6	$280.1	$294.0	62.3 %	(4.7)%
Other	537.7	385.3	264.6	39.6	45.6
Total revenues	992.3	665.4	558.6	49.1	19.1
Operating costs:					
Cost of revenues	810.5	559.0	510.3	45.0	9.5
Selling, engineering, and administrative costs	74.8	45.0	30.8	66.2	46.1
Property disposition gains	(1.1)	—	(0.7)		

Operating profit	$108.1		$61.4		$18.2		76.1	237.4
Operating profit margin	10.9	%	9.2	%	3.3	%		

In August 2014, Trinity completed its acquisition of the assets of Meyer for approximately $595.6 million in cash. Meyer is one of North America's leading providers of tubular steel structures for electricity transmission and distribution. Along with three other acquisitions completed earlier in the year, the operations of Meyer are included with the Company's Energy Equipment Group. We have combined revenues from our wind towers and utility structures product lines due to the similarity of the related products and markets. Previously reported amounts have been restated to reflect this change.

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Revenues for the year ended December 31, 2014 increased by 49.1% compared to the same period in 2013 with revenue from acquisitions completed during 2014 totaling $186.1 million and the remainder of the increase due to higher volumes. Revenues from the wind towers and utility structures product lines increased by 62.3% while other revenues increased by 39.6% for the year ended December 31, 2014. Other revenues includes results primarily from our storage and distribution containers and tank heads product lines. Cost of revenues increased by 45.0% for the year ended December 31, 2014 compared to 2013. A little less than two-thirds of the increase was due to acquisitions while the remainder of the increase was due to higher volumes. Selling, engineering, and administrative costs increased by 66.2% for the year ended December 31, 2014 compared to 2013 primarily due to acquisitions.

Revenues for the year ended December 31, 2013 increased by 19.1% compared to the same period in 2012. Other revenues increased by 45.6%, with two-thirds of the increase due to volume increases and the remainder due to an acquisition. Revenue from wind towers and utility structures decreased by 4.7% due primarily to a change in the type of wind towers produced. Cost of revenues for the year ended December 31, 2013 increased 9.5% consisting of a 19.9% increase due to higher volumes in our storage and distribution containers, tank heads, and utility structures businesses partially offset by a 10.4% decrease due to product mix changes in our structural wind towers business. Selling, engineering, and administrative costs increased in 2013 by 46.1% primarily related to an acquisition and additional compensation costs.

As of December 31, 2014, the backlog for wind towers was $473.5 million compared to $553.9 million as of December 31, 2013. The Company does not report backlog from its utility structures business because certain contracts contain partial order cancellation provisions.

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Railcar Leasing and Management Services Group

	Year Ended December 31,			Percent Change	
	2014	2013	2012	2014 versus 2013	2013 versus 2012
	($ in millions)				
Revenues:					
Leasing and management	$632.0	$586.9	$528.5	7.7 %	11.1 %
Sale of railcars owned one year or less at the time of sale	486.3	58.5	118.6		
Total revenues	$1,118.3	$645.4	$647.1	73.3	(0.3)
Operating profit:					
Leasing and management	$287.9	$267.3	$242.6	7.7	10.2
Railcar sales:					
Railcars owned one year or less at the time of sale	136.1	9.1	24.8		
Railcars owned more than one year at the time of sale	92.3	20.4	33.5		
Total operating profit	$516.3	$296.8	$300.9	74.0	(1.4)
Operating profit margin:					
Leasing and management	45.6 %	45.5 %	45.9 %		
Railcar sales	*	*	*		
Total operating profit margin	46.2	46.0	46.5		
Selected expense information[1]:					
Depreciation	$130.0	$129.0	$120.5	0.8	7.1
Maintenance	$78.9	$71.5	$59.4	10.3	20.4
Rent	$52.9	$53.3	$50.9	(0.8)	4.7
Interest:					
External	$153.3	$153.5	$161.2		
Intercompany	—	3.8	13.1		
Total interest expense	$153.3	$157.3	$174.3	(2.5)	(9.8)

* Not meaningful

[1] Depreciation, maintenance, and rent expense are components of operating profit. Amortization of deferred profit on railcars sold from the Rail Group to the Leasing Group is included in the operating profits of the Leasing Group resulting in the recognition of depreciation expense based on the Company's original manufacturing cost of the railcars. Interest expense is not a component of operating profit and includes the effect of hedges. Intercompany interest expense is eliminated in consolidation and arises from Trinity’s previous ownership of a portion of TRIP Holdings’ Senior Secured Notes, which notes were retired in full in May 2013. See Note 11 Debt of the Notes to the Consolidated Financial Statements.

Total revenues increased by 73.3% for the year ended December 31, 2014 compared to 2013 due to increased railcar sales. Forty-five percent of the increase in leasing and management revenues was due to higher average rental rates on renewals and 25% was due to net fleet additions with the remainder resulting from higher utilization and other fees. Sales of railcars owned one year or less at the time of sale included $446.6 million in railcar sales to Element for the year ended December 31, 2014. Additionally, proceeds from the sale of railcars owned more than one year included

$235.7 million in railcar sales to Element for the year ended December 31, 2014. These transactions were completed as part of the Company's strategic alliance with Element announced in December 2013.

Total revenues for the year ended December 31, 2013 were substantially unchanged compared to the prior year, reflecting a decrease in railcar sales from the lease fleet primarily due to lower volumes, offset by an 11.1% increase in leasing and management revenues. Of the increase in leasing and management revenues, 70% was due to lease fleet additions while the remainder was due primarily to higher rental rates in our lease fleet.

Operating profit increased by 74.0% for the year ended December 31, 2014 compared to 2013 due to higher profit from railcar sales. Leasing and management profits increased primarily due to higher average rental rates in our lease fleet, partially offset by increased maintenance costs resulting from higher regulatory compliance activity for the year ended December 31, 2014 when compared to 2013. Selling, engineering, and administrative costs increased to $49.6 million for the year ended December 31, 2014 from $37.6 million for the year ended December 31, 2013 primarily due to increased staffing and higher performance-related compensation costs.

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Operating profit for the year ended December 31, 2013 was substantially unchanged compared to the prior year with lower profit from railcar sales offset by higher profit from operations. Increased profit from operations resulting from higher rental rates and additions to the lease fleet more than offset higher operating costs for the year ended December 31, 2013 when compared to the prior year. Depreciation, maintenance, and rent expense increased due to lease fleet additions and additional maintenance costs resulting primarily from increased mileage and regulatory requirements. Interest expense decreased as a result of lower borrowings.

The Leasing Group generally uses its non-recourse $475 million warehouse facility or cash to provide initial financing for a portion of the purchase price of the railcars. After initial financing, the Leasing Group generally obtains long-term financing for the railcars in the lease fleet through non-recourse asset-backed securities, long-term non-recourse operating leases pursuant to sales/leaseback transactions; long-term recourse debt such as equipment trust certificates; or third-party equity. See Other Financing Activities.

Information regarding the Leasing Group's lease fleet follows:

	December 31, 2014	December 31, 2013	December 31, 2012
Number of railcars	75,930	75,685	71,455
Average age in years	7.8	7.2	6.7
Average remaining lease term in years	3.4	3.3	3.3
Fleet utilization	99.5 %	99.5 %	98.6 %

All Other

	Year Ended December 31,			Percent Change	
	2014	2013	2012	2014 versus 2013	2013 versus 2012
	($ in millions)				
Revenues	$110.4	$86.6	$81.4	27.5 %	6.4 %
Operating costs:					
Cost of revenues	125.2	94.6	86.8	32.3	9.0
Selling, engineering, and administrative costs	9.4	6.0	5.2	56.7	15.4
Property disposition losses/(gains)	1.4	(0.3)	(0.4)		
Operating loss	$(25.6)	$(13.7)	$(10.2)		

Revenues increased by 27.5% for the year ended December 31, 2014 compared to 2013 due to increased revenues from our transportation company resulting from higher internal shipments. The increase in operating loss for the year ended December 31, 2014 was due to higher costs of facility maintenance activities, higher costs related to commodity hedges, and higher reserves.

The increase in revenues for the year ended December 31, 2013 compared to the prior year of 6.4% was primarily due to higher internal billings related to facility maintenance activities. The increase in operating loss for the year ended December 31, 2013 was primarily due to certain reserves related to non-operating facilities.

Corporate

Year Ended December 31,			Percent Change	
2014	2013	2012	2014 versus 2013	2013 versus 2012
($ in millions)				

Operating costs	$119.0	$73.4	$51.5	62.1 %	42.5 %

The increase in operating costs for the year ended December 31, 2014 compared to 2013 is primarily due to higher performance-related compensation costs and increased staffing, increased legal expenses and approximately $8.7 million in one-time costs related to the acquisition of Meyer for the year ended December 31, 2014.

The increase in operating costs for the year ended December 31, 2013 compared to the prior year is primarily due to higher compensation, resulting from the Company's higher financial performance, and consulting costs.

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Liquidity and Capital Resources

Cash Flows

The following table summarizes our cash flows from operating, investing, and financing activities for each of the last three years:

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Total cash provided by (required by):			
Operating activities	$819.2	$662.2	$527.4
Investing activities	(814.7)	(818.0)	(311.4)
Financing activities	454.9	11.3	5.9
Net increase (decrease) in cash and cash equivalents	$459.4	$(144.5)	$221.9

2014 compared with 2013

Operating Activities. Net cash provided by operating activities for the year ended December 31, 2014 was $819.2 million compared to net cash provided by operating activities of $662.2 million for the year ended December 31, 2013. Cash flow provided by operating activities increased primarily due to higher operating profits in 2014.

Receivables at December 31, 2014 increased by $56.4 million or 15.1% from December 31, 2013, primarily due to an increase in income taxes receivable. Raw materials inventory at December 31, 2014 increased by $108.4 million or 22.7% since December 31, 2013 primarily attributable to higher levels in our Rail Group required to meet production demands. Finished goods inventory at December 31, 2014 increased by $48.5 million or 35.6% since December 31, 2013 primarily due to higher levels in our Rail and Energy Equipment Groups pending delivery. Accounts payable increased by $60.7 million to support higher inventory levels, while accrued liabilities increased by $82.1 million from December 31, 2013 due to higher customer advances which totaled $193.8 million at December 31, 2014. We continually review reserves related to bad debt as well as the adequacy of lower of cost or market valuations related to accounts receivable and inventory.

Investing Activities. Net cash required by investing activities for the year ended December 31, 2014 was $814.7 million compared to $818.0 million for the year ended December 31, 2013. Capital expenditures for the year ended December 31, 2014 were $464.6 million, of which $245.3 million were for additions to the lease fleet. This compares to $731.0 million of capital expenditures for the same period last year, of which $581.1 million were for additions to the lease fleet. Full-year manufacturing and corporate capital expenditures for 2015 are projected to range between $250.0 million and $300.0 million. For 2015, we expect the annual net cash investment in new railcars in our lease fleet to be between $55.0 million and $70.0 million after considering the expected proceeds received from leased railcar sales during the year. Proceeds from the sale of property, plant, and equipment and other assets totaled $288.8 million for the year ended December 31, 2014, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $265.8 million. This compares to $135.3 million for the same period in 2013, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $131.6 million. Net cash required related to acquisitions amounted to $714.4 million and $73.2 million for the years ended December 31, 2014 and 2013, respectively. Short-term marketable securities for the year ended December 31, 2014 decreased $74.7 million.

Financing Activities. Net cash provided by financing activities during the year ended December 31, 2014 was $454.9 million compared to $11.3 million of net cash provided by financing activities for the same period in 2013. During the year ended December 31, 2014, we retired $186.6 million in debt as scheduled. We borrowed $727.3 million, net of debt issuance costs, during the year ended December 31, 2014, from the issuance of $400 million in Senior Notes and, the issuance by TRIP Master Funding, of $335.7 million in Secured Equipment Notes. Also, during the year ended December 31, 2014, we received $49.6 million in equity contributions from noncontrolling interests in one of the Company's partially-owned leasing subsidiaries. During the year ended December 31, 2013, we retired $262.1 million in debt principally consisting of the repayment of the Leasing Group term loan and the TRIP Holdings senior secured notes. During the year ended December 31, 2013, we borrowed $175.0 million, net of debt issuance costs, primarily from the issuance by TRL 2012 of its 2013-1 Secured Railcar Equipment Notes. During the year ended December 31, 2013, we received proceeds of $296.7 million related to the sale of equity interests in certain partially-owned leasing subsidiaries and we received $50.0 million in equity contributions from noncontrolling interests in one of the Company's partially-owned leasing subsidiaries. During 2013, TRIP Holdings repurchased the equity interests of certain equity investors for $84.0 million. Additionally, we repurchased shares of the Company’s stock under a share repurchase program as described further below. We intend to use our cash and committed credit facilities to fund the operations, expansions, and growth initiatives of the Company.

2013 compared with 2012

Operating Activities. Net cash provided by operating activities for the year ended December 31, 2013 was $662.2 million compared to $527.4 million of net cash provided by operating activities for the same period in 2012. Cash flow provided by operating activities increased primarily due to higher operating profits in 2013.

Receivables at December 31, 2013 decreased slightly by $17.2 million or 4.4% from December 31, 2012, primarily due to lower receivables from the Energy Equipment Group. At December 31, 2013, one customer's net receivable balance in our Energy Equipment Group, all within terms, accounted for 16% of the consolidated net receivables balance outstanding. Raw materials inventory at December 31, 2013 increased by $37.3 million or 8.5% since December 31, 2012 primarily attributable to higher levels in our Rail Group required to meet production demands. Finished goods inventory at December 31, 2013 increased by $14.8 million or 12.2% since December 31, 2012 primarily due to higher levels in our Rail Group pending delivery. Accounts payable increased by $29.0 million to support higher inventory levels, while accrued liabilities increased by $72.4 million or 12.4% from December 31, 2012 due to higher income taxes payable and certain other payroll-related accruals. Customer advances totaled $141.7 million at December 31, 2013.

Investing Activities. Net cash required by investing activities for the year ended December 31, 2013 was $818.0 million compared to $311.4 million for the year ended December 31, 2012. Capital expenditures for the year ended December 31, 2013 were $731.0 million, of which $581.1 million were for additions to the lease fleet. This compares to $469.2 million of capital expenditures for the same period in 2012, of which $352.6 million were for additions to the lease fleet. Proceeds from the sale of property, plant, and equipment and other assets totaled $135.3 million for the year ended December 31, 2013, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $131.6 million. This compares to $201.4 million for the year ended December 31, 2012, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $126.3 million. Net cash required related to acquisitions amounted to $73.2 million and $46.2 million for the years ended December 31, 2013 and 2012, respectively. Short-term marketable securities for the year ended December 31, 2013 increased $149.7 million.

Financing Activities. Net cash provided by financing activities during the year ended December 31, 2013 was $11.3 million compared to $5.9 million of net cash provided by financing activities for the year ended December 31, 2012. During the year ended December 31, 2013, we retired $262.1 million in debt principally consisting of the repayment of the Leasing Group term loan and the TRIP Holdings senior secured notes. During the year ended December 31, 2012, we retired $378.4 million in debt principally consisting of repayments of the TILC warehouse loan facility. We borrowed $175.0 million, net of debt issuance costs, during the year ended December 31, 2013, primarily from the issuance by TRL 2012 of its 2013-1 Secured Railcar Equipment Notes. During the year ended December 31, 2012, we borrowed $443.8 million, net of $5.2 million of deferred loan costs, primarily from the issuance by TRL 2012 of $333.8 million in Secured Railcar Equipment Notes, and from advances under our TILC warehouse loan facility. During the year ended December 31, 2013, we received proceeds of $296.7 million related to the sale of equity interests in certain partially-owned leasing subsidiaries and we received $50.0 million in equity contributions from noncontrolling interests in one of the Company's partially-owned leasing subsidiaries. During 2013, TRIP Holdings repurchased the equity interests of certain equity investors for $84.0 million. Additionally, we repurchased shares of the Company's stock under a share repurchase program as described further below.

Other Investing and Financing Activities

In August 2014, Trinity completed its acquisition of the assets of Meyer for approximately $595.6 million in cash. Meyer is one of North America's leading providers of tubular steel structures for electricity transmission and distribution. The operations of Meyer are included within the Company's Energy Equipment Group.

During the year ended December 31, 2014, we completed the acquisitions of the assets of WesMor Cryogenic Companies and Alloy Custom Products, Inc., expanding the Company's engineering and manufacturing capabilities to provide cryogenic storage and distribution products. We also completed the acquisition of the assets of Platinum in Alberta, Canada, a manufacturer and seller of oil and gas process and storage equipment as well as the acquisition of a galvanizing services business located in Texas.

During the year ended December 31, 2014, the Company received proceeds of $882.7 million from the sale of leased railcars to Element under the strategic alliance with Element announced in December 2013, including $200.4 million recorded as revenue by the Rail Group. From the total proceeds received from Element, the Leasing Group recorded $446.6 million in revenue from the sale of railcars owned one year or less at the time of sale. The remainder of the proceeds of $235.7 million is attributable to the sale of railcars owned more than one year at the time of sale and is, consequently, excluded from revenue. Since the inception of our alliance, the Company has received proceeds of $987.7 million from the sale of leased railcars to Element.

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At December 31, 2014 and for the two year period then ended, there were no borrowings under our $425.0 million revolving credit facility that matures on October 20, 2016. Interest on the revolving credit facility is calculated at Libor plus 1.50% or prime plus 0.50%. After subtracting $88.6 million for letters of credit outstanding, $336.4 million was available under the revolving credit facility as of December 31, 2014.

The $475.0 million TILC warehouse loan facility, established to finance railcars owned by TILC, had $120.6 million outstanding with $354.4 million unused, of which $334.6 million was available as of December 31, 2014 based on the amount of warehouse-eligible, unpledged equipment. The warehouse loan is a non-recourse obligation secured by a portfolio of railcars and operating leases, certain cash reserves, and other assets acquired and owned by the warehouse loan facility trust. The principal and interest of this indebtedness are paid from the cash flows of the underlying leases. Advances under the facility bear interest at a defined index rate plus a margin, for an all-in interest rate of 1.94% at December 31, 2014. The warehouse loan facility has been renewed and extended through June 2015. Amounts outstanding at maturity, absent renewal, will be payable in three installments in December 2015, June 2016, and December 2016.

In May 2014, TRIP Master Funding issued $335.7 million in aggregate principal amount of Series 2014-1 Secured Railcar Equipment Notes pursuant to the Master Indenture between TRIP Master Funding and Wilmington Trust Company, as indenture trustee, with a final maturity date of April 2044. The TRIP Master Funding Series 2014-1 Secured Railcar Equipment Notes consist of two classes with the Class A-1 notes bearing interest at 2.86% and the Class A-2 notes bearing interest at 4.09%. The TRIP Master Funding Secured Railcar Equipment Notes are non-recourse to Trinity, TILC, TRIP Holdings, and the other equity investors in TRIP Holdings and are secured by TRIP Master Funding's portfolio of railcars and operating leases thereon, its cash reserves, and all other assets owned by TRIP Master Funding. As of December 31, 2014, there were $108.7 million and $220.7 million of Class A-1 and Class A-2 notes outstanding, respectively.

In September 2014, the Company issued $400.0 million aggregate principal amount of 4.55% senior notes due October 2024. Interest on the Senior Notes is payable semiannually commencing April 1, 2015. The Senior Notes rank senior to existing and future subordinated debt including the Company's Convertible Subordinated Notes and rank equal to existing and future senior indebtedness, including the Company's revolving credit facility. The Senior Notes are subordinated to all the Company's existing and future secured debt to the extent of the value of the collateral securing such indebtedness. The Senior Notes contain covenants that limit our ability and/or certain subsidiaries' ability to create or permit to exist certain liens; enter into sale and leaseback transactions; and consolidate, merge, or transfer all or substantially all of our assets. The Company’s Senior Notes are fully and unconditionally and jointly and severally guaranteed by each of Trinity’s domestic subsidiaries that is a guarantor under the Company's revolving credit facility.

In March 2014, the Company’s Board of Directors authorized a new $250 million share repurchase program that expires on December 31, 2015 and replaced the Company's previously authorized $200 million share repurchase program. Under the new program, 747,246 shares were repurchased during the year ended December 31, 2014, at a cost of $31.5 million. During the year ended December 31, 2013, the Company repurchased 2,473,189 shares under the prior program at a cost of $108.2 million.

In May 2014, the Company's Board of Directors authorized a 2-for-1 stock split. The stock split was issued in the form of a 100% stock dividend. The additional shares were distributed on June 19, 2014, to shareholders of record at the close of business on June 5, 2014. All share and per share information, including dividends, has been retroactively adjusted to reflect the 2-for-1 stock split, except for the statement of stockholders' equity which reflects the stock split by reclassifying from "Capital in Excess of Par Value" to "Common Stock" in the amount of $78.0 million which equals the par value of the additional shares issued to effect the stock split.

Demand conditions and corresponding order levels for new railcars continue to be favorable across a wide variety of industries. While demand conditions and corresponding order levels for barges serving the oil and gas markets have slowed recently, favorable conditions exist long term for barges in the chemical and petrochemical markets. In other markets, such as agricultural products, demand has recently been strong for hopper barges. Budgetary constraints at the Federal and state levels, and pending litigation in our Highway Products business have negatively impacted the results of our Construction Products Group.

We continually assess our manufacturing capacity and take steps to align our production capacity with demand for our products. Due to improvements in demand for certain products, we have continued to increase production staff at certain facilities. We expect that facilities on non-operating status will be available for future operations should demand increase further.

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Equity Investment

See Note 5 of the Notes to the Consolidated Financial Statements for information about the investment in partially-owned subsidiaries.

Future Operating Requirements

We expect to finance future operating requirements with cash, cash equivalents and short-term marketable securities; cash flows from operations, and, depending on market conditions, short-term and long-term debt; and equity. Debt instruments that the Company has utilized include its revolving credit facility, the TILC warehouse facility, senior notes, convertible subordinated notes, asset-backed securities, and sale-leaseback transactions. The Company has also issued equity at various times. As of December 31, 2014, the Company had unrestricted cash, cash equivalents and short-term marketable securities balances of $962.9 million, $336.4 million available under its revolving credit facility, and $334.6 million available under its TILC warehouse facility. The Company believes it has access to adequate capital resources to fund operating requirements and is an active participant in the capital markets.

Off Balance Sheet Arrangements

See Note 6 of the Notes to the Consolidated Financial Statements for information about off balance sheet arrangements.

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Derivative Instruments

We use derivative instruments to mitigate the impact of changes in interest rates, both in anticipation of future debt issuances and to offset interest rate variability of certain floating rate debt issuances outstanding. We also use derivative instruments to mitigate the impact of changes in natural gas and diesel fuel prices and changes in foreign currency exchange rates. For derivative instruments designated as hedges, the Company formally documents the relationship between the derivative instrument and the hedged item, as well as the risk management objective and strategy for the use of the derivative instrument. This documentation includes linking the derivatives that are designated as fair value or cash flow hedges to specific assets or liabilities on the balance sheet, commitments, or forecasted transactions. At the time a derivative instrument is entered into, and at least quarterly thereafter, the Company assesses whether the derivative instrument is effective in offsetting the changes in fair value or cash flows of the hedged item. Any change in fair value resulting in ineffectiveness, as defined by accounting standards issued by the Financial Accounting Standards Board ("FASB"), is recognized in current period earnings. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is recorded in accumulated other comprehensive loss ("AOCL") as a separate component of stockholders' equity and reclassified into earnings in the period during which the hedged transaction affects earnings. Trinity monitors its derivative positions and the credit ratings of its counterparties and does not anticipate losses due to counterparties' non-performance. See Note 3 of the Notes to Consolidated Financial Statements for discussion of how the Company valued its commodity hedges and interest rate swaps at December 31, 2014. See Note 11 of the Notes to Consolidated Financial Statements for a description of the Company's debt instruments.

Interest rate hedges

			Included in accompanying balance sheet at December 31, 2014		
	Notional Amount	Interest Rate[1]	Liability	AOCL – loss/ (income)	Noncontrolling Interest
	(in millions, except %)				
Expired hedges:					
2006 secured railcar equipment notes	$200.0	4.87 %	$—	$(1.3)	$—
Promissory notes	$370.0	5.34 %	$—	$1.2	$—
TRIP Holdings warehouse loan	$788.5	3.60 %	$—	$10.0	$13.6
Open hedges:					
TRIP Master Funding secured railcar equipment notes	$56.3	2.62 %	$2.0	$0.8	$1.1
Promissory notes	$387.6	4.13 %	$6.4	$5.3	$—

[1] Weighted average fixed interest rate

	Effect on interest expense-increase/(decrease) Year Ended December 31,			
	2014	2013	2012	Expected effect during next twelve months[1]
	(in millions)			
Expired hedges:				
2006 secured railcar equipment notes	$(0.3)	$(0.3)	$(0.3)	$(0.3)
Promissory notes	$2.9	$3.1	$3.3	$1.2
TRIP Holdings warehouse loan	$5.1	$6.1	$6.0	$4.9
Open hedges:				
	$1.5	$1.8	$2.0	$1.2

TRIP Master Funding secured railcar equipment notes				
Promissory notes	$15.4	$15.8	$18.4	$6.4

(1) Based on fair value of open hedges as of December 31, 2014

During 2005 and 2006, we entered into interest rate swap derivatives in anticipation of issuing our 2006 Secured Railcar Equipment Notes. These derivative instruments, with a notional amount of $200.0 million, were settled in 2006 and fixed the interest rate on a portion of the related debt issuance. These derivative instrument transactions are being accounted for as cash flow hedges with changes in the fair value of the instruments of $4.5 million in income recorded in AOCL through the date the related debt issuance closed in 2006. The balance is being amortized over the term of the related debt. The effect on interest expense is due to amortization of the AOCL balance.

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During 2006 and 2007, we entered into interest rate swap derivatives in anticipation of issuing our Promissory Notes. These derivative instruments, with a notional amount of $370.0 million, were settled in 2008 and fixed the interest rate on a portion of the related debt issuance. These derivative instrument transactions are being accounted for as cash flow hedges with changes in the fair value of the instruments of $24.5 million recorded as a loss in AOCL through the date the related debt issuance closed in 2008. The balance is being amortized over the term of the related debt. The effect on interest expense is due to amortization of the AOCL balance.

In 2008, we entered into an interest rate swap derivative instrument, expiring in 2015, to fix the variable Libor component of the Promissory Notes. This derivative instrument transaction is being accounted for as a cash flow hedge. The effect on interest expense results primarily from monthly interest settlements.

Between 2007 and 2009, TRIP Holdings, as required by the TRIP Warehouse Loan, entered into interest rate swap derivatives, all of which qualified as cash flow hedges, to reduce the effect of changes in variable interest rates in the TRIP Warehouse Loan. In July 2011, these interest rate hedges were terminated in connection with the refinancing of the TRIP Warehouse Loan. Balances included in AOCL at the date the hedges were terminated are being amortized over the expected life of the new debt with $4.9 million of additional interest expense expected to be recognized during the twelve months following December 31, 2014. Also in July 2011, TRIP Holdings' wholly-owned subsidiary, TRIP Master Funding, entered into an interest rate swap derivative instrument, expiring in 2021, with a notional amount of $94.1 million to reduce the effect of changes in variable interest rates associated with the Class A-1b notes of the TRIP Master Funding secured railcar equipment notes. The effect on interest expense results primarily from monthly interest settlements.

See Note 11 of the Notes to Consolidated Financial Statements regarding the related debt instruments.

Other Derivatives

	Effect on operating income - increase/(decrease) Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Fuel hedges[1]	$(2.3)	$—	$0.4
Foreign exchange hedges[2]	$—	$—	$(0.4)

(1) Included in cost of revenues in the accompanying consolidated statement of operations
(2) Included in other, net in the accompanying consolidated statement of operations

Natural gas and diesel fuel

We maintain a program to mitigate the impact of fluctuations in the price of natural gas and diesel fuel purchases. The intent of the program is to protect our operating profit from adverse price changes by entering into derivative instruments. For those instruments that do not qualify for hedge accounting treatment, any changes in their valuation are recorded directly to the consolidated statement of operations. The amount recorded in the consolidated balance sheet as of December 31, 2014 for these instruments was a liability of $2.1 million.

Foreign exchange hedge

We enter into foreign exchange hedges to mitigate the impact on operating profit of unfavorable fluctuations in foreign currency exchange rates. These instruments are short term with quarterly maturities and no remaining balance in AOCL as of December 31, 2014.

Stock-Based Compensation

We have a stock-based compensation plan covering our employees and our Board of Directors. See Note 16 of the Notes to the Consolidated Financial Statements.

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Employee Retirement Plans

As disclosed in Note 14 of the Notes to the Consolidated Financial Statements, the projected benefit obligations of the employee retirement plans exceeded the plans' assets by $39.4 million as of December 31, 2014 while the assets of the employee retirement plans exceeded the plans' projected benefit obligations by $7.1 million as of December 31, 2013. The change was primarily due to an 89 basis point decrease in the obligation discount rate assumption, a lower return on assets, and lower mortality assumptions. We continue to sponsor an employee savings plan under the existing 401(k) plan that covers substantially all employees and includes both a company matching contribution and an annual retirement contribution of up to 3% each of eligible compensation based on our performance, as well as a Supplemental Profit Sharing Plan. Both the annual retirement contribution and the company matching contribution are discretionary, requiring board approval, and made annually with the investment of the funds directed by the participants. Finally, with the acquisition of Meyer, the Company contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers certain union-represented employees at one of Meyer's facilities.

Employer contributions for the year ending December 31, 2015 are expected to be $19.7 million for the defined benefit plans compared to $15.0 million contributed during 2014. Employer contributions to the 401(k) plans and the Supplemental Profit Sharing Plan for the year ending December 31, 2015 are expected to be $16.1 million compared to $14.0 million contributed during 2014. Employer contributions for the year ending December 31, 2015 are expected to be $2.7 million for the multiemployer plan compared to $0.6 million contributed during 2014.

Contractual Obligation and Commercial Commitments

As of December 31, 2014, we had the following contractual obligations and commercial commitments:

		Payments Due by Period			
Contractual Obligations and Commercial Commitments	Total	1 Year or Less	2-3 Years	4-5 Years	After 5 Years
	(in millions)				
Debt and capital lease obligations:					
Debt:					
Parent and wholly-owned subsidiaries, excluding unamortized debt discount	$2,058.0	$110.8	$505	$88.6	$1,353.6
Partially-owned subsidiaries	1,515.9	69.1	114.2	137.2	1,195.4
Capital lease obligations	39.1	3.2	7.2	28.7	—
Interest	1,005.6	170.7	286.0	226.5	322.4
	4,618.6	353.8	912.4	481.0	2,871.4
Operating leases:					
Leasing Group	511.3	56.0	106.7	110.2	238.4
Other	19.4	7.0	8.5	3.1	0.8
Obligations for purchase of goods and services[1]	1,365.8	1,267.7	98.1	—	—
Letters of credit	92.0	91.8	0.2	—	—
Other	8.8	5.4	2.8	0.6	—
Total	$6,615.9	$1,781.7	$1,128.7	$594.9	$3,110.6

[1] Includes $1.2 billion in purchase obligations for raw materials and components principally by the Rail, Inland Barge, and Energy Equipment Groups.

As of December 31, 2014 and 2013, we had $73.9 million and $65.8 million, respectively, of tax liabilities, including interest and penalties, related to uncertain tax positions. Because of the high degree of uncertainty regarding the timing of future cash outflows associated with these liabilities, we are unable to estimate the years in which settlement will occur with the respective taxing authorities. See Note 13 of the Notes to the Consolidated Financial Statements.

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Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to bad debts, inventories, property, plant, and equipment, goodwill, income taxes, warranty obligations, insurance, restructuring costs, contingencies, and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies, among others, affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Inventory

We state all our inventories at the lower of cost or market. Our policy related to excess and obsolete inventory requires an analysis of inventory at the business unit level on a quarterly basis and the recording of any required adjustments. In assessing the ultimate realization of inventories, we are required to make judgments as to future demand requirements and compare that with the current or committed inventory levels. It is possible that changes in required inventory reserves may occur in the future due to then current market conditions.

Long-lived Assets

We periodically evaluate the carrying value of long-lived assets to be held and used for potential impairment. The carrying value of long-lived assets to be held and used is considered impaired only when the carrying value is not recoverable through undiscounted future cash flows and the fair value of the assets is less than their carrying value. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risks involved or market quotes as available. Impairment losses on long-lived assets held for sale are determined in a similar manner, except that fair values are reduced by the estimated cost to dispose of the assets.

Goodwill

Goodwill is required to be tested for impairment annually, or on an interim basis, whenever events or circumstances change, indicating that the carrying amount of the goodwill might be impaired. The goodwill impairment test is a two-step process with step one requiring the comparison of the reporting unit's estimated fair value with the carrying amount of its net assets. Step two of the impairment test is necessary to determine the amount of goodwill impairment to be recorded when the reporting unit's recorded net assets exceed its fair value. Impairment is assessed at the “reporting unit” level by applying a fair value-based test for each unit with recorded goodwill. The estimates and judgments that most significantly affect the fair value calculations are assumptions related to revenue and operating profit growth, discount rates and exit multiples. During the three months ended December 31, 2014, the Company considered certain state actions with regard to its highway products litigation as an indicator of possible goodwill impairment. See Note 18 Commitments and Contingencies and in the accompanying consolidated financial statements for a fuller explanation of this matter. Based on the Company's annual goodwill impairment test, performed at the reporting unit level as of December 31, 2014, the Company concluded that 1) no impairment charges were determined to be necessary and 2) none of the reporting units evaluated could reasonably be expected to fail the first step of the goodwill impairment test. See Note 1 of the Notes to the Consolidated Financial Statements for further explanation.

Given the uncertainties of the economy and its potential impact on our businesses, there can be no assurance that our estimates and assumptions regarding the fair value of our reporting units, made for the purposes of the long-lived asset and goodwill impairment tests, will prove to be accurate predictions of the future. If our assumptions regarding forecasted cash flows are not achieved, it is possible that impairments of remaining goodwill and long-lived assets may be required.

Warranties

The Company provides warranties against materials and manufacturing defects generally ranging from one to five years depending on the product. The warranty costs are estimated using a two-step approach. First, an engineering estimate is made for the cost of all claims that have been filed by a customer. Second, based on historical claims experience, a cost is accrued for all products still within a warranty period for which no claims have been filed. The Company provides for the estimated cost of product warranties at the time revenue is recognized related to products covered by warranties and assesses the adequacy of the resulting reserves on a quarterly basis.

Insurance

We are effectively self-insured for workers' compensation claims. A third-party administrator processes all such claims. We accrue our workers' compensation liability based upon independent actuarial studies. To the extent actuarial assumptions change and claims experience rates differ from historical rates, our liability may change.

Contingencies and Litigation

The Company is involved in claims and lawsuits incidental to our business. Based on information currently available with respect to such claims and lawsuits, including information on claims and lawsuits as to which the Company is aware but for which the Company has not been served with legal process, it is management's opinion that the ultimate outcome of all such claims and litigation, including settlements, in the aggregate will not have a material adverse effect on the Company's overall financial condition for purposes of financial reporting. However, resolution of certain claims or lawsuits by settlement or otherwise, could impact the operating results of the reporting period in which such resolution occurs.

Environmental

We are involved in various proceedings related to environmental matters. We have provided reserves to cover probable and estimable liabilities with respect to such proceedings, taking into account currently available information and our contractual rights of indemnification. However, estimates of future response costs are necessarily imprecise. Accordingly, there can be no assurance that we will not become involved in future litigation or other proceedings or, if we were found to be responsible or liable in any litigation or proceeding, that such costs would not be material to us.

Income Taxes

The Company accounts for income taxes under the asset and liability method prescribed by ASC 740. See Note 13 in the Notes to the Consolidated Financial Statements. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases and other tax attributes using currently enacted tax rates. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the provision for income taxes in the period that includes the enactment date. Management is required to estimate the timing of the recognition of deferred tax assets and liabilities, make assumptions about the future deductibility of deferred tax assets and assess deferred tax liabilities based on enacted law and tax rates for the appropriate tax jurisdictions to determine the amount of such deferred tax assets and liabilities. Changes in the calculated deferred tax assets and liabilities may occur in certain circumstances, including statutory income tax rate changes, statutory tax law changes, or changes in the structure or tax status of the Company. The Company assesses whether a valuation allowance should be established against its deferred tax assets based on consideration of all available evidence, both positive and negative, using a more likely than not standard. This assessment considers, among other matters, the nature, frequency and severity of recent losses; a forecast of future profitability; the duration of statutory carryback and carryforward periods; the Company's experience with tax attributes expiring unused; and tax planning alternatives.

At December 31, 2014, the Company had $33.5 million of Federal consolidated net operating loss carryforwards. The majority of these net operating loss carryforwards were acquired as part of an acquisition of a company in 2010 and are subject to limitations on the amount that can be utilized in any one tax year. In addition, the Company had tax-effected $3.6 million of state loss carryforwards. The Federal net operating loss carryforwards are due to expire in

2028 and 2029. We have established a valuation allowance for Federal, state, and foreign tax operating losses and credits which may not be realizable. We believe that it is more likely than not that we will be able to generate sufficient future taxable income to utilize the remaining deferred tax assets.

At times, we may claim tax benefits that may be challenged by a tax authority. We recognize tax benefits only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for “unrecognized tax benefits” is recorded for any tax benefits claimed in our tax returns that do not meet these recognition and measurement standards.

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Pensions

The Company sponsors defined benefit plans which provide retirement income and death benefits for certain eligible employees. The Company's pension costs and liabilities are primarily determined using actuarial assumptions regarding the long-term rate of return on plan assets and the discount rate used to determine the present value of future benefit obligations. The compensation increase rate assumption pertains solely to the pension plan of the Company's Inland Barge segment which was closed to new participants in 2014. The accrued benefits of the Company's remaining pension plans were frozen in 2009.

Pension assumptions are reviewed annually by outside actuaries and the Company's management. These actuarial assumptions are summarized in the following table:

	Year Ended December 31,		
	2014	2013	2012
Assumptions used to determine benefit obligations at the annual measurement date were:			
Obligation discount rate	4.33 %	5.22 %	4.25 %
Compensation increase rate	4.00 %	4.00 %	4.00 %
Assumptions used to determine net periodic benefit costs were:			
Obligation discount rate	5.22 %	4.25 %	5.40 %
Long-term rate of return on plan assets	7.75 %	7.75 %	7.75 %
Compensation increase rate	4.00 %	4.00 %	3.00 %

The obligation discount rate assumption is determined by deriving a single discount rate from a theoretical settlement portfolio of high quality corporate bonds sufficient to provide for the plans' projected benefit payments. The expected long-term rate of return on plan assets is an assumption reflecting the anticipated weighted average rate of earnings on the portfolio over the long-term. To arrive at this rate, we developed estimates based upon the anticipated performance of the plans' assets. The effect of a change in either of these assumptions on the net retirement cost for the year ended December 31, 2014 and on the projected benefit obligations at December 31, 2014 is summarized as follows:

Assumptions:	Effect on Net Retirement Cost for the Year Ended December 31, 2014 Increase/(decrease) (in millions)	Effect on Projected Benefit Obligations at December 31, 2014
Obligation discount rate:		
Increase of 50 basis points	$(0.2)	$(30.7)
Decrease of 50 basis points	$0.8	$34.2
Long-term rate of return on plan assets:		
Increase of 50 basis points	$(2.0)	$—
Decrease of 50 basis points	$2.0	$—

Recent Accounting Pronouncements

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

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Forward-Looking Statements

This annual report on Form 10-K (or statements otherwise made by the Company or on the Company's behalf from time to time in other reports, filings with the Securities and Exchange Commission ("SEC"), news releases, conferences, World Wide Web postings or otherwise) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not historical facts are forward-looking statements and involve risks and uncertainties. These forward-looking statements include expectations, beliefs, plans, objectives, future financial performances, estimates, projections, goals, and forecasts. Trinity uses the words "anticipates," "believes," "estimates," "expects," "intends," "forecasts," "may," "will," "should," and si expressions to identify these forward-looking statements. Potential factors, which could cause our actual results of operations to differ materially from those in the forward-looking statements include, among others:

- market conditions and demand for our business products and services;
- the cyclical nature of industries in which we compete;
- variations in weather in areas where our construction products are sold, used, or installed;
- naturally-occurring events and disasters causing disruption to our manufacturing, product deliveries, and production capacity, thereby giving rise to an increase in expenses, loss of revenue, and property losses;
- the timing of introduction of new products;
- the timing and delivery of customer orders or a breach of customer contracts;
- the credit worthiness of customers and their access to capital;
- product price changes;
- changes in mix of products sold;
- the extent of utilization of manufacturing capacity;
- availability and costs of steel, component parts, supplies, and other raw materials;
- competition and other competitive factors;
- changing technologies;
- surcharges and other fees added to fixed pricing agreements for steel, component parts, supplies and other raw materials;
- interest rates and capital costs;
- counter-party risks for financial instruments;
- long-term funding of our operations;
- taxes;
- the stability of the governments and political and business conditions in certain foreign countries, particularly Mexico;
- changes in import and export quotas and regulations;
- business conditions in emerging economies;
- costs and results of litigation, including trial and appellate costs and supersedes bonding costs;
- changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies; and
- legal, regulatory, and environmental issues, including compliance of our products with mandated specifications, standards, or testing criteria and obligations to remove and replace our products following installation or to recall our products and install different products manufactured by us or our competitors.

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

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Our earnings could be affected by changes in interest rates due to the impact those changes have on our variable rate debt obligations, which represented 15.5% of our total debt as of December 31, 2014. If interest rates average one percentage point more in fiscal year 2015 than they did during 2014, our interest expense would increase by $1.4 million, after considering the effects of interest rate hedges. In comparison, at December 31, 2013, we estimated that if interest rates averaged one percentage point more in fiscal year 2014 than they did during 2013, our interest expense would increase by $1.7 million. The impact of an increase in interest rates was determined based on the impact of the hypothetical change in interest rates and scheduled principal payments on our variable-rate debt obligations as of December 31, 2014 and 2013. A one percentage point increase in the interest rate yield would decrease the fair value of the fixed rate debt by approximately $243.7 million. A one percentage point decrease in the interest rate yield would increase the fair value of the fixed rate debt by approximately $275.7 million.

Trinity uses derivative instruments to mitigate the impact of increases in natural gas and diesel fuel prices. Existing hedge transactions as of December 31, 2014 are based on the New York Mercantile Exchange for natural gas and heating oil. Hedge transactions are settled with the counterparty in cash. The effect of these transactions on the consolidated balance sheets was a liability of $2.1 million at December 31, 2014 and was insignificant at December 31, 2013. The effect on the consolidated statement of operations for the year ended December 31, 2014 was operating expense of $2.3 million, and for the year ended December 31, 2013 was immaterial. Based on hedge positions at December 31, 2014 we estimate that a hypothetical 10% increase in the price of these commodities would reduce the liability and the related operating expense by $0.5 million. Similarly, a hypothetical 10% decrease in the price of these commodities would increase the liability and the related operating expense by $0.5 million.

In addition, we are subject to market risk related to our net investments in our foreign subsidiaries. The net investment in foreign subsidiaries as of December 31, 2014 was $299.9 million. The impact of such market risk exposures as a result of foreign exchange rate fluctuations has not been material to us. See Note 12 of the Notes to the Consolidated Financial Statements.

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Item 8. Financial Statements

Trinity Industries, Inc.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Trinity Industries, Inc.

We have audited the accompanying consolidated balance sheets of Trinity Industries, Inc. and Subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2014. 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 Trinity Industries, Inc. and Subsidiaries at December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, 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), Trinity Industries, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2014, 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 19, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Dallas, Texas
February 19, 2015

Trinity Industries, Inc. and Subsidiaries
Consolidated Statements of Operations

	Year Ended December 31, 2014	2013	2012
	(in millions, except per share amounts)		
Revenues:			
Manufacturing	$5,063.6	$3,719.9	$3,167.5
Leasing	1,106.4	645.4	644.4
	6,170.0	4,365.3	3,811.9
Operating costs:			
Cost of revenues:			
Manufacturing	3,975.1	2,990.9	2,701.2
Leasing	644.7	331.4	350.3
	4,619.8	3,322.3	3,051.5
Selling, engineering, and administrative expenses:			
Manufacturing	235.0	180.4	143.4
Leasing	49.6	37.6	29.4
Other	119.0	73.3	51.3
	403.6	291.3	224.1
Gains on disposition of property, plant, and equipment:			
Net gains on railcar lease fleet sales owned more than one year at the time of sale	92.3	20.4	33.5
Other	12.1	0.8	5.0
	104.4	21.2	38.5
Total operating profit	1,251.0	772.9	574.8
Other (income) expense:			
Interest income	(1.9)	(2.1)	(1.5)
Interest expense	193.4	187.3	194.7
Other, net	(4.6)	(2.8)	(4.3)
	186.9	182.4	188.9
Income from continuing operations before income taxes	1,064.1	590.5	385.9
Provision (benefit) for income taxes:			
Current	360.6	158.6	7.7
Deferred	(5.8)	45.8	126.3
	354.8	204.4	134.0
Net income from continuing operations	709.3	386.1	251.9
Discontinued operations:			
Gain on sale of discontinued operations, net of provision for income taxes of $-, $5.4, and $-	—	7.1	—
Income (loss) from discontinued operations, net of provision (benefit) for income taxes of $-, $(0.8), and $1.1	—	(0.8)	1.8
Net income	709.3	392.4	253.7
Net income (loss) attributable to noncontrolling interest	31.1	16.9	(1.5)
Net income attributable to Trinity Industries, Inc.	$678.2	$375.5	$255.2
Net income attributable to Trinity Industries, Inc. per common share:			
Basic:			
Continuing operations	$4.35	$2.34	$1.59
Discontinued operations	—	0.04	0.01
	$4.35	$2.38	$1.60

Diluted:			
Continuing operations	$4.19	$2.34	$1.58
Discontinued operations	—	0.04	0.01
	$4.19	$2.38	$1.59
Weighted average number of shares outstanding:			
Basic	151.0	152.8	154.7
Diluted	156.7	152.9	155.1
Dividends declared per common share	$0.375	$0.270	$0.210

See accompanying notes to consolidated financial statements.

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Trinity Industries, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Net income	$709.3	$392.4	$253.7
Other comprehensive income (loss):			
Derivative financial instruments:			
Unrealized gains/(losses) arising during the period, net of tax expense/ (benefit) of $(0.6), $0.8, and $4.2	(1.2)	0.8	7.2
Reclassification adjustments for losses included in net income, net of tax benefit of $8.4, $8.7, and $3.2	16.0	18.1	5.8
Currency translation adjustment	(2.0)	—	0.6
Defined benefit plans:			
Unrealized gains/(losses) arising during the period, net of tax expense/ (benefit) of $(26.7), $31.0, and $(17.8)	(45.1)	52.7	(30.3)
Amortization of net actuarial losses, net of tax benefit of $0.8, $1.9, and $1.1	1.3	3.1	2.2
	(31.0)	74.7	(14.5)
Comprehensive income	678.3	467.1	239.2
Less: comprehensive income attributable to noncontrolling interest	34.1	21.1	0.1
Comprehensive income attributable to Trinity Industries, Inc.	$644.2	$446.0	$239.1

See accompanying notes to consolidated financial statements.

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Trinity Industries, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2014	December 31, 2013
	(in millions)	
ASSETS		
Cash and cash equivalents	$887.9	$428.5
Short-term marketable securities	75.0	149.7
Receivables, net of allowance for doubtful accounts of $4.5 and $3.1	405.3	365.0
Income tax receivable	58.6	7.7
Inventories:		
Raw materials and supplies	585.4	477.0
Work in process	298.2	201.4
Finished goods	184.8	136.3
	1,068.4	814.7
Restricted cash, including partially-owned subsidiaries of $91.9 and $77.1	234.7	260.7
Property, plant, and equipment, at cost, including partially-owned subsidiaries of $2,261.2 and $1,887.2	6,586.0	6,275.8
Less accumulated depreciation, including partially-owned subsidiaries of $261.3 and $202.1	(1,683.1)	(1,505.2)
	4,902.9	4,770.6
Goodwill	773.2	278.2
Other assets	327.8	238.3
	$8,733.8	$7,313.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$295.4	$216.3
Accrued liabilities	709.6	567.4
Debt:		
Recourse, net of unamortized discount of $60.0 and $74.1	829.3	419.0
Non-recourse:		
Wholly-owned subsidiaries	1,207.8	1,314.7
Partially-owned subsidiaries	1,515.9	1,256.1
	3,553.0	2,989.8
Deferred income	36.4	40.8
Deferred income taxes	632.6	650.7
Other liabilities	109.4	99.3
	5,336.4	4,564.3
Stockholders’ equity:		
Preferred stock – 1.5 shares authorized and unissued	—	—
Common stock – 200.0 shares authorized; shares issued and outstanding at December 31, 2014 – 155.7; at December 31, 2013 – 81.7	155.7	81.7
Capital in excess of par value	463.2	686.6
Retained earnings	2,489.9	1,870.0
Accumulated other comprehensive loss	(111.9)	(78.2)
Treasury stock – shares at December 31, 2014 – 0.1; at December 31, 2013 – 4.3	(1.0)	(158.0)
	2,995.9	2,402.1
Noncontrolling interest	401.5	347.0
	3,397.4	2,749.1
	$8,733.8	$7,313.4

See accompanying notes to consolidated financial statements.

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Trinity Industries, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Operating activities:			
Net income	$709.3	$392.4	$253.7
Adjustments to reconcile net income to net cash provided by operating activities:			
Income from discontinued operations	—	(6.3)	(1.8)
Depreciation and amortization	244.6	211.5	193.7
Stock-based compensation expense	53.3	44.5	27.7
Excess tax benefits from stock-based compensation	(24.4)	(8.5)	(0.6)
Provision (benefit) for deferred income taxes	(5.8)	45.8	126.3
Net gains on railcar lease fleet sales owned more than one year at the time of sale	(92.3)	(20.4)	(33.5)
Gain on disposition of property, plant, equipment, and other assets	(12.1)	(0.8)	(5.0)
Non-cash interest expense	30.7	30.8	31.2
Other	(4.5)	(6.4)	(3.2)
Changes in assets and liabilities:			
(Increase) decrease in receivables	(56.4)	17.2	2.7
(Increase) decrease in inventories	(186.3)	(95.6)	(128.0)
(Increase) decrease in restricted cash	25.0	(25.0)	—
(Increase) decrease in other assets	(8.3)	(29.1)	(41.5)
Increase (decrease) in accounts payable	60.7	29.0	(16.7)
Increase (decrease) in accrued liabilities	82.1	72.4	125.5
Increase (decrease) in other liabilities	2.6	8.2	(3.9)
Net cash provided by operating activities - continuing operations	818.2	659.7	526.6
Net cash provided by operating activities - discontinued operations	1.0	2.5	0.8
Net cash provided by operating activities	819.2	662.2	527.4
Investing activities:			
(Increase) decrease in short-term marketable securities	74.7	(149.7)	—
Proceeds from railcar lease fleet sales owned more than one year at the time of sale	265.8	131.6	126.3
Proceeds from railcar lease fleet sales – sale and leaseback	—	—	58.3
Proceeds from disposition of property, plant, equipment, and other assets	23.0	3.7	16.8
Capital expenditures – leasing, net of sold lease fleet railcars owned one year or less with a net cost of $350.2, $49.4 and $93.8	(245.3)	(581.1)	(352.6)
Capital expenditures – manufacturing and other	(219.3)	(149.9)	(116.6)
Acquisitions, net of cash acquired	(714.4)	(73.2)	(46.2)
Other	0.8	—	1.7
Net cash required by investing activities - continuing operations	(814.7)	(818.6)	(312.3)
Net cash provided by investing activities - discontinued operations	—	0.6	0.9
Net cash required by investing activities	(814.7)	(818.0)	(311.4)
Financing activities:			
Proceeds from issuance of common stock, net	0.6	2.5	4.1
Excess tax benefits from stock-based compensation	24.4	8.5	0.6
Payments to retire debt	(186.6)	(262.1)	(378.4)
Proceeds from issuance of debt	727.3	175.0	443.8
(Increase) decrease in restricted cash	1.0	(12.5)	17.1
Shares repurchased	(36.5)	(103.2)	(45.2)
Dividends paid to common shareholders	(54.4)	(39.3)	(31.7)

Purchase of shares to satisfy employee tax on vested stock	(38.3)	(9.6)	(4.8)
Proceeds from sale of interests in partially-owned leasing subsidiaries	—	296.7	—
Repurchase of noncontrolling interests in partially-owned leasing subsidiary	—	(84.0)	—
Contributions from noncontrolling interest	49.6	50.0	—
Distributions to noncontrolling interest	(28.2)	(10.0)	—
Other	(2.5)	0.8	(0.5)
Net cash provided by financing activities - continuing operations	456.4	12.8	5.0
Net cash provided (required) by financing activities - discontinued operations	(1.5)	(1.5)	0.9
Net cash provided by financing activities	454.9	11.3	5.9
Net increase (decrease) in cash and cash equivalents	459.4	(144.5)	221.9
Cash and cash equivalents at beginning of period	428.5	573.0	351.1
Cash and cash equivalents at end of period	$887.9	$428.5	$573.0

Interest paid for the years ended December 31, 2014, 2013, and 2012 was $158.3 million, $163.6 million, and $174.8 million, respectively. Income tax payments, net of refunds, made for the years ended December 31, 2014, 2013, and 2012 were $399.0 million, $110.9 million, and $18.4 million, respectively.
See accompanying notes to consolidated financial statements.

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Trinity Industries, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity

	Common Stock					Treasury Stock				
	Shares	$1 Par Value	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Shares	Amount	Trinity Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	(in millions, except par value)									
Balances at December 31, 2011	81.7	$81.7	$626.5	$1,314.7	$(134.0)	(1.5)	$(25.1)	$1,863.8	$84.5	$1,948.3
Net income (loss)	—	—	—	255.2	—	—	—	255.2	(1.5)	253.7
Other comprehensive income (loss)	—	—	—	—	(16.1)	—	—	(16.1)	1.6	(14.5)
Cash dividends on common stock	—	—	—	(33.2)	—	—	—	(33.2)	—	(33.2)
Restricted shares, net	—	—	26.4	—	—	0.4	(1.7)	24.7	—	24.7
Stock options exercised	—	—	(0.7)	—	—	0.3	4.8	4.1	—	4.1
Excess tax benefits from stock-based compensation	—	—	0.2	—	—	—	—	0.2	—	0.2
Stock-based compensation expense	—	—	0.2	—	—	—	—	0.2	—	0.2
Shares repurchased	—	—	—	—	—	(1.8)	(45.2)	(45.2)	—	(45.2)
Other	—	—	—	—	—	—	(0.7)	(0.7)	—	(0.7)
Balances at December 31, 2012	81.7	$81.7	$652.6	$1,536.7	$(150.1)	(2.6)	$(67.9)	$2,053.0	$84.6	$2,137.6
Net income	—	—	—	375.5	—	—	—	375.5	16.9	392.4
Other comprehensive income	—	—	—	—	70.5	—	—	70.5	4.2	74.7
Cash dividends on common stock	—	—	—	(42.2)	—	—	—	(42.2)	—	(42.2)
Restricted shares, net	—	—	23.3	—	—	0.7	13.8	37.1	—	37.1
Shares repurchased	—	—	—	—	—	(2.5)	(108.2)	(108.2)	—	(108.2)
	—	—	(2.0)	—	—	0.1	4.3	2.3	—	2.3

Stock options exercised										
Excess tax benefits from stock-based compensation	—	—	8.7	—	—	—	—	8.7	—	8.7
Repurchase of interests in partially-owned leasing subsidiary	—	—	11.8	—	(11.8)	—	—	—	(84.2)	(84.2)
Sale of interests in partially-owned leasing subsidiaries	—	—	(7.3)	—	13.2	—	—	5.9	285.4	291.3
Contributions from noncontrolling interest	—	—	—	—	—	—	—	—	50.0	50.0
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(9.9)	(9.9)
Other	—	—	(0.5)	—	—	—	—	(0.5)	—	(0.5)
Balances at December 31, 2013	81.7	$81.7	$686.6	$1,870.0	$(78.2)	(4.3)	$(158.0)	$2,402.1	$347.0	$2,749.1
Net income	—	—	—	678.2	—	—	—	678.2	31.1	709.3
Other comprehensive income (loss)	—	—	—	—	(34.0)	—	—	(34.0)	3.0	(31.0)
Cash dividends on common stock	—	—	—	(58.3)	—	—	—	(58.3)	—	(58.3)
Restricted shares, net	0.1	0.1	29.8	—	—	0.6	(15.0)	14.9	—	14.9
Shares repurchased	—	—	—	—	—	(0.6)	(31.5)	(31.5)	—	(31.5)
Stock options exercised	0.1	0.1	(0.1)	—	—	0.1	0.6	0.6	—	0.6
Excess tax benefits from stock-based compensation	—	—	24.2	—	—	—	—	24.2	—	24.2
Contributions from noncontrolling interest	—	—	—	—	—	—	—	—	49.6	49.6
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(28.2)	(28.2)

Retirement of treasury stock	(4.2)	(4.2)	(198.9)	—	—	4.2	203.1	—	—	—
Stock split	78.0	78.0	(78.0)	—	—	—	—	—	—	—
Other	—	—	(0.4)	—	0.3	(0.1)	(0.2)	(0.3)	(1.0)	(1.3)
Balances at December 31, 2014	155.7	$155.7	$463.2	$2,489.9	$(111.9)	(0.1)	$(1.0)	$2,995.9	$401.5	$3,397.4

See accompanying notes to consolidated financial statements.

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Trinity Industries, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Principles of Consolidation
The financial statements of Trinity Industries, Inc. and its consolidated subsidiaries (“Trinity”, “Company”, “we” or “our”) include the accounts of its wholly-owned subsidiaries and its partially-owned subsidiaries, TRIP Rail Holdings LLC ("TRIP Holdings") and RIV 2013 Rail Holdings LLC ("RIV 2013"), in which the Company has a controlling interest. All significant intercompany accounts and transactions have been eliminated.

Stockholders' Equity
On May 5, 2014, the Company's Board of Directors authorized a 2-for-1 stock split on its common shares. The stock split was issued in the form of a 100% stock dividend. The additional shares were distributed on June 19, 2014, to shareholders of record at the close of business on June 5, 2014. All share and per share information, including dividends, has been retroactively adjusted to reflect the 2-for-1 stock split, except for the statement of stockholders' equity which will reflect the stock split by reclassifying $78.0 million from "Capital in Excess of Par Value" to "Common Stock" representing the par value of the additional shares issued to effect the stock split.

In March 2014, the Company’s Board of Directors authorized a new $250 million share repurchase program that expires on December 31, 2015 and replaced the Company's previously authorized $200 million share repurchase program. Under the new program, 747,246 shares were repurchased during the year ended December 31, 2014, at a cost of $31.5 million. During the year ended December 31, 2013, the Company repurchased 2,473,189 shares under the prior program at a cost of $108.2 million.

Revenue Recognition
Revenues for contracts providing for a large number of units and few deliveries are recorded as the individual units are produced, inspected, and accepted by the customer as the risk of loss passes to the customer upon delivery acceptance on these contracts. This occurs primarily in the Rail and Inland Barge Groups. Revenue from rentals and operating leases, including contracts which contain non-level fixed rental payments, is recognized monthly on a straight-line basis. Revenue is recognized from the sales of railcars from the lease fleet on a gross basis in leasing revenues and cost of revenues if the railcar has been owned for one year or less at the time of sale. Sales of railcars from the lease fleet that have been owned for more than one year are recognized as a net gain or loss from the disposal of a long-term asset. Fees for shipping and handling are recorded as revenue. For all other products, we recognize revenue when products are shipped or services are provided.

Income Taxes
The liability method is used to account for income taxes. Deferred income taxes represent the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Valuation allowances reduce deferred tax assets to an amount that will more likely than not be realized.

The Company regularly evaluates the likelihood of realization of tax benefits derived from positions it has taken in various federal and state filings after consideration of all relevant facts, circumstances, and available information. For those tax positions that are deemed more likely than not to be sustained, the Company recognizes the benefit it believes is cumulatively greater than 50% likely to be realized. To the extent the Company were to prevail in matters for which accruals have been established or be required to pay amounts in excess of recorded reserves, the effective tax rate in a given financial statement period could be materially impacted.

Financial Instruments

The Company considers all highly liquid debt instruments to be either cash and cash equivalents if purchased with a maturity of three months or less, or short-term marketable securities if purchased with a maturity of more than three months and less than one year. The Company intends to hold its short-term marketable securities until they are redeemed at their maturity date and believes that under the "more likely than not" criteria, the Company will not be required to sell the securities before recovery of their amortized cost bases, which may be maturity.

Financial instruments that potentially subject the Company to a concentration of credit risk are primarily cash investments including restricted cash, short-term marketable securities, and receivables. The Company places its cash investments and short-term marketable securities in bank deposits and investment grade, short-term debt instruments and limits the amount of credit exposure to any one commercial issuer. Concentrations of credit risk with respect to receivables are limited due to control procedures

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that monitor the credit worthiness of customers, the large number of customers in the Company's customer base, and their dispersion across different industries and geographic areas. As receivables are generally unsecured, the Company maintains an allowance for doubtful accounts based upon the expected collectibility of all receivables. Receivable balances determined to be uncollectible are charged against the allowance. The carrying values of cash, short-term marketable securities, receivables and accounts payable are considered to be representative of their respective fair values.

Inventories
Inventories are valued at the lower of cost or market, with cost determined principally on the first in first out method. Market is replacement cost or net realizable value. Work in process and finished goods include material, labor, and overhead.

Property, Plant, and Equipment
Property, plant, and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. The estimated useful lives are: buildings and improvements - 3 to 30 years; leasehold improvements - the lesser of the term of the lease or 7 years; machinery and equipment - 2 to 10 years; information systems hardware and software - 2 to 5 years; and railcars in our lease fleet - generally 35 years. The costs of ordinary maintenance and repair are charged to operating costs while renewals and major replacements are capitalized.

Long-lived Assets
The Company periodically evaluates the carrying value of long-lived assets to be held and used for potential impairment. The carrying value of long-lived assets to be held and used is considered impaired only when their carrying value is not recoverable through undiscounted future cash flows and the fair value of the assets is less than their carrying value. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risks involved or market quotes as available. Impairment losses on long-lived assets held for sale are determined in a similar manner, except that fair values are reduced by the estimated cost to dispose of the assets. Impairment losses were not material for the years ended December 31, 2014, 2013, and 2012.

Goodwill and Intangible Assets
Goodwill is required to be tested for impairment annually, or on an interim basis whenever events or circumstances change, indicating that the carrying amount of the goodwill might be impaired. The goodwill impairment test is a two-step process with step one requiring the comparison of the reporting unit's estimated fair value with the carrying amount of its net assets. If necessary, step two of the impairment test determines the amount of goodwill impairment to be recorded when the reporting unit's recorded net assets exceed its fair value. Impairment is assessed at the "reporting unit" level by applying a fair value-based test for each unit with recorded goodwill. The estimates and judgments that most significantly affect the fair value calculations are assumptions, consisting of level three inputs, related to revenue and operating profit growth, discount rates and exit multiples. During the three months ended December 31, 2014, the Company considered certain state actions with regard to its highway products litigation as an indicator of possible goodwill impairment. See Note 18 Commitments and Contingencies for a fuller explanation of this matter. As of December 31, 2014 and 2013, the Company's annual impairment test of goodwill was completed at the reporting unit level and no impairment charges were determined to be necessary.

Intangible assets with defined useful lives, which as of December 31, 2014 had net book values of $58.8 million, are amortized over their estimated useful lives, and were also evaluated for potential impairment as of December 31, 2014.

Restricted Cash
Restricted cash consists of cash and cash equivalents that are held either as collateral for the Company's non-recourse debt and lease obligations or security for the performance of certain product sales agreements and as such are

restricted in use.

Insurance

The Company is effectively self-insured for workers' compensation claims. A third party administrator is used to process claims. We accrue our workers' compensation liability based upon independent actuarial studies.

Warranties

Depending on the product, the Company provides warranties against materials and manufacturing defects generally ranging from one to five years. The warranty costs are estimated using a two-step approach. First, an engineering estimate is made for the cost of all claims that have been asserted by customers. Second, based on historical claims experience, a cost is accrued for all products still within a warranty period for which no claims have been filed. The Company provides for the estimated cost of product

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warranties at the time revenue is recognized related to products covered by warranties, and assesses the adequacy of the resulting reserves on a quarterly basis.

Foreign Currency Translation

Operations outside the United States prepare financial statements in currencies other than the United States dollar. The income statement amounts are translated at average exchange rates for the year, while the assets and liabilities are translated at year-end exchange rates. Translation adjustments are accumulated as a separate component of stockholders' equity and other comprehensive income. The functional currency of our Mexico operations is considered to be the United States dollar. The functional currency of our Canadian operations is considered to be the Canadian dollar.

Other Comprehensive Income (Loss)

Other comprehensive net income (loss) consists of foreign currency translation adjustments, the effective unrealized gains and losses on the Company's derivative financial instruments, and the net actuarial gains and losses of the Company's defined benefit plans, the sum of which, along with net income (loss), constitutes comprehensive net income (loss). See Note 15 Accumulated Other Comprehensive Loss (“AOCL”). All components are shown net of tax.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers," ("ASU 2014-09") providing common revenue recognition guidance for U.S. GAAP. Under ASU 2014-09, an entity recognizes revenue when it transfers promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. It also requires additional detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 will become effective for public companies during interim and annual reporting periods beginning after December 15, 2016. Early application is not permitted. We are currently evaluating the impact this standard will have on our consolidated financial statements.

Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year balances have been reclassified in the consolidated financial statements to conform to the 2014 presentation.

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Note 2. Acquisitions and Divestitures

The Company's acquisition and divestiture activities are summarized below:

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Acquisitions:			
Purchase price	$720.9	$125.2	$48.8
Net cash paid	$714.4	$73.2	$46.2
Goodwill recorded	$495.0	$37.0	$20.9
Divestitures:			
Proceeds	$—	$35.6	$2.1
Gain recognized	$—	$12.5	$1.5
Goodwill charged off	$—	$4.8	$0.1

Acquisition of Meyer Steel Structures

On August 18, 2014, Trinity completed its acquisition of the assets of Meyer Steel Structures ("Meyer"), the utility steel structures division of Thomas & Betts Corporation, a member of the ABB Group, for approximately $595.6 million in cash. Meyer is one of North America's leading providers of tubular steel structures for electricity transmission and distribution and is included in the Company's Energy Equipment Group. For the year ended December 31, 2014, the Company incurred $8.7 million in acquisition-related transaction costs which have been expensed in our Corporate segment and $1.5 million in non-recurring additional state income tax expense included in our consolidated provision for income taxes. Due to the size and complexity of Meyer, the purchase price was allocated on a preliminary basis to the assets acquired and liabilities assumed based on their acquisition date fair value using level three inputs. We expect to complete our purchase price allocation as soon as reasonably possible not to exceed one year from the acquisition date. Adjustments to the preliminary purchase price allocation could be material to the purchase price allocation. The following table represents our preliminary purchase price allocation as of December 31, 2014:

	December 31, 2014
	(in millions)
Accounts receivable	$29.4
Inventories	36.1
Property, plant, and equipment	70.5
Goodwill	409.1
Other assets	76.0
Accounts payable	(15.4)
Accrued liabilities	(10.1)
Total net assets acquired	$595.6

Level three inputs are those that reflect our estimates about the assumptions market participants would use in determining the fair value of the asset or liability based on the best information available in the circumstances. Valuation techniques for assets and liabilities measured using level three inputs may include methodologies such as the market approach, the income approach or the cost approach and may use unobservable inputs such as projections, estimates, and management’s interpretation of current market data. These unobservable inputs are utilized only to the extent that observable inputs are not available or cost effective to obtain. Goodwill, all tax-deductible, was primarily related to the value of Meyer's market position and its existing workforce. Based on our preliminary valuation, other assets include intangibles arising from the Meyer acquisition as follows:

	Preliminary estimated fair value (in millions)	Weighted average useful life
Customer relationships	$35.3	10.5 years
Trademarks/trade names	34.1	Indefinite
Technology	5.6	5.0 years
	$75.0	

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In addition to Meyer, during the year ended December 31, 2014, we completed the acquisition of three businesses in our Energy Equipment Group located in the U.S. and Canada and one business in our Construction Products Group located in the U.S. These acquisitions were recorded based on preliminary valuations of the related assets and liabilities at their acquisition date fair value using level three inputs. Such assets and liabilities were not significant in relation to assets and liabilities at the consolidated or segment level. The valuations of the three Energy Equipment Group acquisitions were finalized as of September 30, 2014.

The operating results of our 2014 acquisitions, as summarized in the following table, are included in the Consolidated Statements of Operations from their date of acquisition, exclude transaction-related acquisition costs that are included in the Corporate segment, and include additional amortization expense resulting from the preliminary purchase price allocation:

	Year Ended December 31, 2014
	(in millions)
Revenues	$187.4
Operating profit	$2.4

The following table represents the pro-forma consolidated operating results of the Company as if our 2014 acquisitions had been acquired on January 1, 2013. The pro-forma information should not be considered indicative of the results that would have occurred if the acquisitions had been completed on January 1, 2013, nor is such pro-forma information necessarily indicative of future results.

	Year Ended December 31, 2014	Year Ended December 31, 2013
	(in millions)	
Revenues	$6,369.8	$4,830.8
Operating profit	$1,274.4	$834.1

The aggregate purchase price related to our acquisition activity for the years ended December 31, 2014, 2013, and 2012 by segment follows:

	Year ended December 31,		
	2014	2013	2012
	(in millions)		
Rail Group	$—	$23.1	$—
Construction Products Group	6.1	74.2	48.8
Energy Equipment Group	714.8	27.9	—
	$720.9	$125.2	$48.8

Discontinued operation - Ready-Mix Concrete Operations

During the year ended December 31, 2013, the Company sold its remaining ready-mix concrete operations in exchange for certain aggregates operations in Texas, Colorado, and California. The fair value of the proceeds received in exchange for the divested operations was based on the Company's estimate of fair value of the operations disposed using a discounted cash flow analysis. A gain of $12.5 million was recognized based on the fair value of the proceeds less the assets' carrying amounts and certain transaction costs. The divestiture of our ready-mix concrete operations has been accounted for and reported as a discontinued operation.

Condensed results of operations for the ready-mix concrete operations for the years ended December 31, 2014, 2013, and 2012 are as follows:

	Year Ended December 31,		
	2014	2013	2012
	(in millions)		
Revenues	$—	$31.6	$121.4
Income (loss) from discontinued operations before income taxes	$—	$(1.6)	$2.9
Provision (benefit) for income taxes	—	(0.8)	1.1
Net income (loss) from discontinued operations	$—	$(0.8)	$1.8

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Note 3. Fair Value Accounting

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

	Fair Value Measurement as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets:				
Cash equivalents	$415.2	$—	$—	$415.2
Restricted cash	234.7	—	—	234.7
Total assets	$649.9	$—	$—	$649.9
Liabilities:				
Interest rate hedges:(1)				
Wholly-owned subsidiaries	$—	$6.4	$—	$6.4
Partially-owned subsidiaries	—	2.0	—	2.0
Fuel derivative instruments(1)	—	2.1	—	2.1
Total liabilities	$—	$10.5	$—	$10.5

	Fair Value Measurement as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets:				
Cash equivalents	$230.6	$—	$—	$230.6
Restricted cash	260.7	—	—	260.7
Total assets	$491.3	$—	$—	$491.3
Liabilities:				
Interest rate hedges:(1)				
Wholly-owned subsidiaries	$—	$21.7	$—	$21.7
Partially-owned subsidiaries	—	2.1	—	2.1
Total liabilities	$—	$23.8	$—	$23.8

(1) Included in accrued liabilities on the consolidated balance sheet.

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

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

Level 2 – This level is defined as observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Company's fuel derivative instruments, which are commodity swaps, are valued using energy and commodity market data. Interest rate hedges are valued at exit prices obtained from each counterparty. See Note 7 Derivative Instruments and Note 11 Debt.

Level 3 – This level is defined as unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

	December 31, 2014		December 31, 2013	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(in millions)			
Recourse:				
Senior notes	$399.6	$387.0	$—	$—
Convertible subordinated notes	449.5	593.9	450.0	593.4
Less: unamortized discount	(59.6)		(74.1)	
	389.9		375.9	
Capital lease obligations	39.1	39.1	42.2	42.2
Other	0.7	0.7	0.9	0.9
	829.3	1,020.7	419.0	636.5
Non-recourse:				
2006 secured railcar equipment notes	223.0	245.6	240.7	259.2
Promissory notes	363.9	362.7	396.1	389.6
2009 secured railcar equipment notes	188.8	227.7	199.0	229.5
2010 secured railcar equipment notes	311.5	344.0	326.9	342.7
TILC warehouse facility	120.6	120.6	152.0	152.0
TRL 2012 secured railcar equipment notes (RIV 2013)	472.2	470.3	499.3	483.4
TRIP Master Funding secured railcar equipment notes	1,043.7	1,121.4	756.8	819.8
	2,723.7	2,892.3	2,570.8	2,676.2
Total	$3,553.0	$3,913.0	$2,989.8	$3,312.7

The estimated fair value of our senior notes and convertible subordinated notes were based on a quoted market price in a market with little activity as of December 31, 2014 and 2013, respectively (Level 2 input). The estimated fair values of our 2006, 2009, 2010, and 2012 secured railcar equipment notes, promissory notes, and TRIP Rail Master Funding LLC (“TRIP Master Funding”) secured railcar equipment notes are based on our estimate of their fair value as of December 31, 2014 and 2013, respectively. These values were determined by discounting their future cash flows at the current market interest rate (Level 3 inputs). The carrying value of our Trinity Industries Leasing Company (“TILC”) warehouse facility approximates fair value because the interest rate adjusts to the market interest rate (Level 3 input). The fair values of all other financial instruments are estimated to approximate carrying value. See Note 11 Debt for a description of the Company's long-term debt.

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Note 4. Segment Information

The Company reports operating results in five principal business segments: (1) the Rail Group, which manufactures and sells railcars and related parts and components; (2) the Construction Products Group, which manufactures and sells highway products and other primarily-steel products and services for infrastructure-related projects, and produces and sells aggregates; (3) the Inland Barge Group, which manufactures and sells barges and related products for inland waterway services; (4) the Energy Equipment Group, which manufactures and sells products for energy-related businesses, including structural wind towers, storage and distribution containers, tank heads for pressure and non-pressure vessels, and utility structures for electricity transmission and distribution; and (5) the Railcar Leasing and Management Services Group (“Leasing Group”), which owns and operates a fleet of railcars as well as provides third-party fleet leasing, management, maintenance, and administrative services. The segment All Other includes our captive insurance and transportation companies; legal, environmental, and maintenance costs associated with non-operating facilities; and other peripheral businesses. Gains and losses from the sale of property, plant, and equipment that are related to manufacturing and dedicated to the specific manufacturing operations of a particular segment are included in operating profit of that respective segment. Gains and losses from the sale of property, plant, and equipment that can be utilized by multiple segments are included in operating profit of the All Other segment.

Sales and related net profits from the Rail Group to the Leasing Group are recorded in the Rail Group and eliminated in consolidation. Sales between these groups are recorded at prices comparable to those charged to external customers, taking into consideration quantity, features, and production demand. Intersegment sales and net profit ("deferred profit") are eliminated in consolidation and reflected in the "Eliminations – Lease subsidiary" line in the table below. Amortization of deferred profit on railcars sold to the Leasing Group is included in the operating profit of the Leasing Group, resulting in the recognition of depreciation expense based on the Company's original manufacturing cost of the railcars. Sales of railcars from the lease fleet are included in the Leasing Group, with related gains and losses computed based on the net book value of the original manufacturing cost of the railcars.

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

Year Ended December 31, 2014

	Revenues			Operating Profit (Loss)	Assets	Depreciation & Amortization	Capital Expenditures
	External	Intersegment	Total				
	(in millions)						
Rail Group	$3,077.6	$739.2	$3,816.8	$724.1	$1,322.4	$32.7	$98.3
Construction Products Group	546.1	5.6	551.7	65.4	459.3	22.7	37.1
Inland Barge Group	638.5	—	638.5	114.4	177.1	9.3	9.7
Energy Equipment Group	796.0	196.3	992.3	108.1	1,160.0	33.0	56.0
Railcar Leasing and Management Services Group	1,106.4	11.9	1,118.3	516.3	4,972.1	130.0	245.3
All Other	5.4	105.0	110.4	(25.6)	56.3	9.6	9.3
Segment Totals before Eliminations and Corporate	6,170.0	1,058.0	7,228.0	1,502.7	8,147.2	237.3	455.7
Corporate	—	—	—	(119.0)	1,147.1	7.4	8.9
Eliminations – Lease subsidiary	—	(710.1)	(710.1)	(133.1)	(557.2)	—	—
Eliminations – Other	—	(347.9)	(347.9)	0.4	(3.3)	(0.1)	—
Consolidated Total	$6,170.0	$—	$6,170.0	$1,251.0	$8,733.8	$244.6	$464.6

Year Ended December 31, 2013

	Revenues			Operating Profit (Loss)	Assets	Depreciation & Amortization	Capital Expenditures
	External	Intersegment	Total				
	(in millions)						
Rail Group	$2,093.5	$774.0	$2,867.5	$489.7	$1,063.9	$27.2	$42.4
Construction Products Group	508.6	16.4	525.0	52.6	459.9	20.9	17.1
Inland Barge Group	576.6	0.1	576.7	96.0	170.3	8.1	18.4
Energy Equipment Group	536.5	128.9	665.4	61.4	364.3	18.2	41.5
Railcar Leasing and Management Services Group	645.4	—	645.4	296.8	5,026.9	129.0	581.1
All Other	4.7	81.9	86.6	(13.7)	49.8	3.7	4.4
Segment Totals before Eliminations and Corporate	4,365.3	1,001.3	5,366.6	982.8	7,135.1	207.1	704.9
Corporate	—	—	—	(73.4)	731.0	4.5	26.1
Eliminations – Lease subsidiary	—	(756.5)	(756.5)	(135.4)	(549.7)	—	—
Eliminations – Other	—	(244.8)	(244.8)	(1.1)	(3.0)	(0.1)	—
Consolidated Total	$4,365.3	$—	$4,365.3	$772.9	$7,313.4	$211.5	$731.0

Year Ended December 31, 2012

	Revenues			Operating Profit (Loss)	Assets	Depreciation & Amortization	Capital Expenditures
	External	Intersegment	Total				
	(in millions)						
Rail Group	$1,512.1	$500.9	$2,013.0	$199.0	$916.2	$21.8	$47.8

Construction Products Group	461.2	22.5	483.7	44.8	415.2	16.6	15.7
Inland Barge Group	675.2	—	675.2	124.7	154.4	7.6	15.0
Energy Equipment Group	506.0	52.6	558.6	18.2	400.1	19.0	25.2
Railcar Leasing and Management Services Group	644.4	2.7	647.1	300.9	4,538.8	120.5	352.6
All Other	13.0	68.4	81.4	(10.2)	30.9	4.4	6.6
Segment Totals before Eliminations and Corporate	3,811.9	647.1	4,459.0	677.4	6,455.6	189.9	462.9
Corporate	—	—	—	(51.5)	744.9	3.9	6.3
Eliminations – Lease subsidiary	—	(485.9)	(485.9)	(50.8)	(446.2)	—	—
Eliminations – Other	—	(161.2)	(161.2)	(0.3)	(112.3)	(0.1)	—
Consolidated Total	$3,811.9	$—	$3,811.9	$574.8	$6,642.0	$ 193.7	$ 469.2

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Corporate assets are composed of cash and cash equivalents, short-term marketable securities, notes receivable, certain property, plant, and equipment, and other assets. Capital expenditures do not include business acquisitions.

Externally reported revenues and operating profit for our Mexico operations for the years ended December 31, 2014, 2013, and 2012 are presented below. Our Canadian operations were not significant in relation to the consolidated financial statements.

	External Revenues			Operating Profit		
	Year Ended December 31,			Year Ended December 31,		
	2014	2013	2012	2014	2013	2012
	(in millions)					
Mexico	$130.4	$133.5	$96.4	$16.8	$4.0	$0.2

Total assets and long-lived assets for our Mexico operations as of December 31, 2014 and 2013 are presented below:

	Total Assets		Long-Lived Assets	
	December 31,			
	2014	2013	2014	2013
	(in millions)			
Mexico	$339.0	$306.9	$189.4	$177.7

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Note 5. Partially-Owned Leasing Subsidiaries

The Company, through its wholly-owned subsidiary, TILC, formed two subsidiaries, TRIP Holdings and RIV 2013, for the purpose of providing railcar leasing in North America. Each of TRIP Holdings and RIV 2013 are direct, partially-owned subsidiaries of TILC and are each governed by a seven-member board of representatives, two of whom are designated by TILC. TILC is the agent of each of TRIP Holdings and RIV 2013 and as such, has been delegated the authority, power, and discretion to take certain actions on behalf of the respective companies. Each of TRIP Holdings and RIV 2013 in turn has wholly-owned subsidiaries which are the owners of railcars. These wholly-owned subsidiaries are TRIP Master Funding (wholly-owned by TRIP Holdings) and Trinity Rail Leasing 2012 LLC ("TRL 2012", wholly-owned by RIV 2013). TILC is the contractual servicer for TRIP Master Funding and TRL 2012, with the authority to manage and service each entity's owned railcars. The Company's controlling interest in each of TRIP Holdings and RIV 2013 results from its combined role as both equity member and agent/servicer. The noncontrolling interest included in the accompanying consolidated balance sheets represents the non-Trinity equity interest in these partially-owned subsidiaries. The railcars owned by TRIP Master Funding were originally acquired from the Company's Rail and Leasing Groups by TRIP Rail Leasing LLC ("TRIP Leasing"), a wholly-owned subsidiary of TRIP Holdings. TRIP Master Funding acquired the railcars from TRIP Leasing in July 2011. TRIP Leasing currently owns no railcars and is not expected to acquire any railcars.

TRIP Holdings and RIV 2013, through TRIP Leasing and TRL 2012, respectively, acquired railcars from the Company's Rail and Leasing Groups funded by capital contributions from TILC and third-party equity investors, and from secured borrowings. Railcars purchased from the Company by TRIP Master Funding and TRL 2012 are required to be purchased at fair value as determined by TILC and approved by the boards of representatives of TRIP Holdings and RIV 2013, respectively. The assets of each of TRIP Master Funding and TRL 2012 may only be used to satisfy the particular subsidiary's liabilities, and the creditors of each of TRIP Master Funding and TRL 2012 have recourse only to the particular subsidiary's assets. Each of TILC and the third-party equity investors receive distributions from TRIP Holdings and RIV 2013, when allowed, in proportion to its respective equity interests, and has an interest in the net assets of the partially-owned subsidiaries upon a liquidation event in the same proportion. TILC is paid fees for the services it provides to TRIP Master Funding and TRL 2012 and has the potential to earn certain incentive fees. With respect to TRIP Holdings as of December 31, 2014, TILC has a commitment that expires in May 2016 to provide additional equity funding of up to $5.7 million for the purchase of railcars and satisfaction of certain other liabilities of TRIP Holdings. The third-party equity investors in TRIP Holdings have a similar commitment that expires in May 2016 to provide up to $12.9 million of additional equity funding. TILC and the third-party equity investors may have additional commitments to provide equity funding to TRIP Holdings that expire in May 2019 contingent upon certain returns on investment in TRIP Holdings and other conditions being met. Trinity has no obligation to guarantee performance under any of the partially-owned subsidiaries' (or their respective subsidiaries') debt agreements, guarantee any railcar residual values, shield any parties from losses, or guarantee minimum yields.

In May 2014, TILC and the third-party investors of TRIP Holdings contributed $21.6 million and $49.6 million, respectively, net of expenses, to TRIP Holdings. These contributions, combined with additional secured borrowings, were used to purchase additional railcar equipment from TILC. At December 31, 2014, the Company's carrying value of its investment in TRIP Holdings and RIV 2013 totaled $229.1 million representing the Company's weighted average 39% ownership interest. The Company's investments in its partially-owned leasing subsidiaries are eliminated in consolidation.
See Note 11 Debt regarding the debt of TRIP Holdings and RIV 2013 and their respective subsidiaries.

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Note 6. Railcar Leasing and Management Services Group

The Railcar Leasing and Management Services Group owns and operates a fleet of railcars as well as provides third-party fleet management, maintenance, and leasing services. Selected consolidating financial information for the Leasing Group is as follows:

	December 31, 2014			
	Leasing Group			
	Wholly-Owned Subsidiaries	Partially-Owned Subsidiaries	Manufacturing/ Corporate	Total
	(in millions)			
Cash, cash equivalents, and short-term marketable securities	$11.9	$—	$951.0	$962.9
Property, plant, and equipment, net	$2,599.2	$1,999.9	$861.0	$5,460.1
Net deferred profit on railcars sold to the Leasing Group				(557.2)
Consolidated property, plant, and equipment, net				$4,902.9
Restricted cash	$142.8	$91.9	$—	$234.7
Debt:				
Recourse	$39.1	$—	$850.2	$889.3
Less: unamortized discount	—	—	(60.0)	(60.0)
	39.1	—	790.2	829.3
Non-recourse	1,207.8	1,515.9	—	2,723.7
Total debt	$1,246.9	$1,515.9	$790.2	$3,553.0
Net deferred tax liabilities	$658.2	$0.9	$(44.1)	$615.0

	December 31, 2013			
	Leasing Group			
	Wholly-Owned Subsidiaries	Partially-Owned Subsidiaries	Manufacturing/ Corporate	Total
	(in millions)			
Cash, cash equivalents, and short-term marketable securities	$3.5	$—	$574.7	$578.2
Property, plant, and equipment, net	$2,964.6	$1,685.1	$670.6	$5,320.3
Net deferred profit on railcars sold to the Leasing Group				(549.7)
Consolidated property, plant, and equipment, net				$4,770.6
Restricted cash	$183.6	$77.1	$—	$260.7
Debt:				
Recourse	$42.2	$—	$450.9	$493.1
Less: unamortized discount	—	—	(74.1)	(74.1)
	42.2	—	376.8	419.0
Non-recourse	1,314.7	1,256.1	—	2,570.8
Total debt	$1,356.9	$1,256.1	$376.8	$2,989.8
Net deferred tax liabilities	$671.9	$—	$(32.5)	$639.4

Net deferred profit on railcars sold to the Leasing Group consists of intersegment profit that is eliminated in consolidation and is, therefore, not allocated to an operating segment. See Note 5 Partially-Owned Leasing

Subsidiaries and Note 11 Debt for a further discussion regarding the Company's investment in its partially-owned leasing subsidiaries and the related indebtedness.

	Year Ended December 31,			Percent Change	
	2014	2013	2012	2014 versus 2013	2013 versus 2012
	($ in millions)				
Revenues:					
Leasing and management	$632.0	$586.9	$528.5	7.7 %	11.1 %
Sale of railcars owned one year or less at the time of sale	486.3	58.5	118.6		
Total revenues	$1,118.3	$645.4	$647.1	73.3	(0.3)
Operating profit:					
Leasing and management	$287.9	$267.3	$242.6	7.7	10.2
Railcar sales:					
Railcars owned one year or less at the time of sale	136.1	9.1	24.8		
Railcars owned more than one year at the time of sale	92.3	20.4	33.5		
Total operating profit	$516.3	$296.8	$300.9	74.0	(1.4)
Operating profit margin:					
Leasing and management	45.6 %	45.5 %	45.9 %		
Railcar sales	*	*	*		
Total operating profit margin	46.2	46.0	46.5		
Selected expense information[1]:					
Depreciation	$130.0	$129.0	$120.5	0.8	7.1
Maintenance	$78.9	$71.5	$59.4	10.3	20.4
Rent	$52.9	$53.3	$50.9	(0.8)	4.7
Interest:					
External	$153.3	$153.5	$161.2		
Intercompany	—	3.8	13.1		
Total interest expense	$153.3	$157.3	$174.3	(2.5)	(9.8)

* Not meaningful

(1) Depreciation, maintenance, and rent expense are components of operating profit. Amortization of deferred profit on railcars sold from the Rail Group to the Leasing Group is included in the operating profit of the Leasing Group resulting in the recognition of depreciation expense based on the Company's original manufacturing cost of the railcars. Interest expense is not a component of operating profit and includes the effect of hedges. Intercompany interest expense is eliminated in consolidation and arises from Trinity’s previous ownership of a portion of TRIP Holdings’ Senior Secured Notes, which notes were retired in full in May 2013. See Note 11 Debt.

During the year ended December 31, 2014, the Company received proceeds of $882.7 million from the sale of leased railcars to Element Financial Corporation ("Element") under the strategic alliance with Element announced in December 2013, including $200.4 million recorded as revenue by the Rail Group. From the total proceeds received from Element, the Leasing Group recorded $446.6 million in revenue from the sale of railcars owned one year or less at the time of sale. The remainder of the proceeds of $235.7 million is attributable to the sale of railcars owned more than one year at the time of sale and is, consequently, excluded from revenue. Since the inception of our alliance, the Company has received proceeds of $987.7 million from the sale of leased railcars to Element.

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

	2015	2016	2017	2018	2019	Thereafter	Total
	(in millions)						
Future contractual minimum rental revenues	$462.9	$388.8	$319.9				