UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2017

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 ($0.01 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 ☑ 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 ☑

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 ☑ 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 ☑ 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. ☑

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

Large accelerated filer ☑ **Accelerated filer ☐** **Non-accelerated filer ☐** (Do not check if a smaller reporting company)

Smaller reporting company ☐ **Emerging growth company ☐**

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

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, 2017) was $4,162.5 million.

At January 31, 2018 the number of shares of common stock outstanding was 150,822,635.

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 2018 Proxy Statement.

TRINITY INDUSTRIES, INC.

FORM 10-K

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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 complementary market-leading businesses providing products and services to the energy, chemical, agriculture, transportation, and construction sectors, among others. 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, 2017, 2016, and 2015 is presented in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Proposed Spin-off. On December 12, 2017, the Company announced that its Board of Directors unanimously approved a plan to pursue a spin-off of the Company's infrastructure-related businesses to Trinity stockholders. The separation is planned as a tax-free spin-off transaction to the Company's stockholders for U.S. federal income tax purposes. The transaction is expected to result in two separate public companies: (1) Trinity, the currently existing company, which will be comprised primarily of Trinity's rail-related businesses and (2) a new infrastructure company, focused on infrastructure-related products and services (the "Infrastructure Company").

Completion of the spin-off will be subject to, among other things, the effectiveness of appropriate filings with the Securities and Exchange Commission, final approval from the Company's Board of Directors, and other customary conditions. The Company may, at any time and for any reason until the proposed transaction is complete, abandon the separation or modify or change its terms. The separation is expected to be completed in the fourth quarter of 2018, but there can be no assurance regarding the ultimate timing of the separation or that the separation will ultimately occur. See information in Item 1A "Risk Factors" under the heading "Risks Related to the Proposed Spin-Off of our Infrastructure-Related Businesses" for a description of some of the risks and uncertainties associated with the proposed transaction.

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

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 (the "Rail Group").

The 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, SUV's, 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, aggregates, 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 various markets including the energy, chemical, agriculture, automotive, and construction markets. We are a leading manufacturer of railcar axles and coupling devices in North America and, through plants in Mexico and the U.S., also manufacture and sell a variety of other railcar parts and components used in manufacturing and repairing railcars. We provide railcar maintenance services at multiple facilities in the U.S.

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

For the year ended December 31, 2017 we shipped 18,395 railcars, or 40% of total North American railcar shipments. As of December 31, 2017, our Rail Group backlog consisted of 22,585 railcars valued at $2.2 billion. This amount included approximately $829.5 million in orders from our Railcar Leasing and Management Services Group (“Leasing Group”). 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 customers may alternatively choose to purchase railcars as external sales from the Rail Group.

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. 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.

In addition, TILC originates and manages railcar leases for third-party investor-owned funds and provides fleet maintenance and management services to industrial shippers. Our affiliations with third-party investor-owned funds, through strategic railcar alliances and the formation of railcar investment vehicles, combined with TILC's fleet maintenance and management services capabilities, complement our leasing business by generating stable fee income, strengthening customer relationships, and enhancing the view of *TrinityRail*® as a leading provider of railcar products and services.

The railcars in our lease fleet are leased to industrial shippers and railroads. These companies operate in various markets including the chemical, agricultural, automotive, and energy industries. 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, predominantly under full-service leases. A small percentage of our fleet is leased on a per diem basis. As of December 31, 2017, the lease fleet of our subsidiaries included 88,590 owned or leased railcars that were 96.8% utilized. Of this total, 79,055 railcars were owned by TILC or its affiliates and 9,535 railcars were financed in sale-leaseback transactions. Total railcars under management including those owned by third-parties totaled 114,050 railcars.

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 trench shields and shoring products for infrastructure-related projects. Additionally, the Construction Products Group mines and produces construction aggregates. 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 highway 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, 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, internationally. The Company does not perform any installation services with respect to its highway products. We compete against several national and regional highway products manufacturers.

We are a leading producer and distributor of lightweight and natural construction aggregates, including expanded shale and clay; crushed stone; sand and gravel; asphalt rock; and various other products in certain regions in the U.S. Our construction aggregates customers are concrete producers; commercial, residential, and highway contractors; manufacturers of masonry

products; and state and local governments. We compete with lightweight construction aggregates producers nationwide and natural construction aggregates producers located in the regions where we operate.

We also manufacture and rent a line of trench shields and shoring products for the construction industry.

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 including chemicals and a variety of petroleum products. Our fiberglass reinforced lift covers are used primarily for grain barges. Our 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, 2017 was approximately $98.2 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.

Energy Equipment Group. Through wholly-owned subsidiaries, our Energy Equipment Group manufactures structural wind towers; utility steel structures for electricity transmission and distribution; storage and distribution containers; cryogenic tanks; 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, 2017 was approximately $780.8 million.

We are one of the leading manufacturers in North America of steel utility 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 are a leading manufacturer in North America of storage and distribution containers. We manufacture these products in the U.S., Mexico, and Canada. We market a portion of our products in Mexico under the brand name of TATSA®. Our storage and distribution containers 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 and trailers 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. 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. Additionally, we manufacture and sell oil and gas process and storage equipment.

We also 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 are many competitors in the tank heads business.

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

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 10.1%, 7.7%, and 7.0% of our consolidated revenues for the years ended December 31, 2017, 2016, and 2015, respectively. As of December 31, 2017 and 2016, we had 3.0% and 3.3%, respectively, of our long-lived assets located outside the U.S. We manufacture railcars, storage and distribution containers, tank heads, structural wind towers, steel utility structures, parts, and other products at our Mexico facilities for local consumption as well as for export to the U.S. and other countries.

Backlog. As of December 31, 2017 and 2016, our backlog of firm orders was as follows:

	December 31, 2017	December 31, 2016
	(in millions)	
Rail Group		
External Customers	**$ 1,334.7**	$ 2,156.6
Leasing Group	**829.5**	850.9
	$ 2,164.2	$ 3,007.5
Inland Barge Group	**$ 98.2**	$ 120.0
Wind towers	**$ 780.8**	$ 1,148.4

For the twelve months ended December 31, 2017, our rail manufacturing businesses received orders for 12,900 railcars. The change in backlog as of December 31, 2017 compared with our backlog as of December 31, 2016 reflects the value of orders taken, net of cancellations, executory contract change orders and price modifications, and orders delivered 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 customers may alternatively choose to purchase railcars as external sales from the Rail Group. Approximately 65% of our railcar backlog is expected to be delivered during the year ending December 31, 2018 with the remainder to be delivered thereafter into 2021. Substantially all of our Inland Barge backlog is expected to be delivered during the year ending December 31, 2018. Approximately 33% of our structural wind towers backlog is expected to be delivered during the year ending December 31, 2018 with the remainder to be delivered through 2020. 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 2017, the supply of steel was sufficient to support our manufacturing requirements. Market steel prices continue to exhibit periods of volatility and ended 2017 higher than 2016. 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.

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

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

Business Group	December 31, 2017
Rail Group	7,990
Construction Products Group	1,410
Inland Barge Group	485
Energy Equipment Group	4,670
Railcar Leasing and Management Services Group	210
All Other	430
Corporate	410
	15,605

As of December 31, 2017, approximately 8,520 employees were employed in the U.S., 7,005 employees in Mexico, and 80 in Canada.

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, natural resources, 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. Our railcar and related manufacturing, maintenance services, and leasing businesses are regulated by multiple governmental regulatory agencies such as the U.S. Environmental Protection Agency ("USEPA"); Transport Canada ("TC"); the U.S. Department of Transportation ("USDOT") and the administrative agencies it oversees, including the Federal Railroad Administration ("FRA"), the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), and the Research and Special Programs Administration; and industry authorities such as the Association of American Railroads ("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. We believe that our product designs and operations are in compliance with these specifications, standards, and regulations applicable to our business.

Revised regulations pertaining to the transportation of flammable materials by rail remain in effect. These regulatory changes materially impact: the rail industry as a whole; railroad operations; older and newer tank railcars that met or exceeded prior regulatory requirements and standards; tank railcar specifications; and market decisions relative to capital investment in rail products.

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 USDOT; 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 the laws and regulations applicable to our business.

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 and administrative agencies. These organizations, with participation from the American Association of State Highway and Transportation Officials ("AASHTO"), establish certain specifications, product testing criteria, and performance standards related to the manufacture of our highway products. We believe that our highway products are in compliance with the standards and specifications applicable to our business.

Storage and Distribution Containers. The primary regulatory authorities involved in the regulation of manufacturers of storage, transportation, and distribution containers are the PHMSA and the Federal Motor Carrier Safety Administration ("FMCSA"), both agencies being part of the USDOT. These agencies promulgate and interpret rules and regulations and issue approvals and special permits pertaining, in part, to the manufacture of containers that are used in the storage, transportation, and distribution of regulated and non-regulated substances. We believe that our storage and distribution containers are in compliance with the rules, regulations, and permits applicable to our business.

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 2018.

Name	Age	Office	Officer Since
Timothy R. Wallace*	64	Chairman, Chief Executive Officer, and President	1985
James E. Perry*	46	Senior Vice President and Chief Financial Officer	2005
Melendy E. Lovett*	59	Senior Vice President and Chief Administrative Officer	2014
William A. McWhirter II*	53	Senior Vice President and Group President	2005
S. Theis Rice*	67	Senior Vice President and Chief Legal Officer	2002
Kathryn A. Collins	54	Vice President, Human Resources	2014
Virginia C. Gray, Ph.D.	58	Vice President, Organizational Development	2007
Mary E. Henderson*	59	Vice President and Chief Accounting Officer	2009
W. Relle Howard	48	Vice President, Information Technology	2016
John M. Lee	57	Vice President, Business Development	1994
Steven L. McDowell	56	Vice President and Chief Compliance Officer	2013
Gail M. Peck	50	Vice President, Finance and Treasurer	2010
Stephen W. Smith	68	Vice President and Chief Technical Officer	2012
Bryan P. Stevenson	44	Vice President, Associate General Counsel and Secretary	2015
Sarah Teachout	45	Vice President and Deputy General Counsel	2016
Jack Todd	54	Vice President, Public Affairs	2015

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

The following officers, for the preceding five years, have either not been in full time employment with the Company or have had changes in responsibilities during that period:

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.

Mr. Howard joined the Company in 2016 as Vice President, Information Technology. Prior to joining Trinity, he worked for Flowserve Corporation from 2009 to 2016, serving as Vice President Information Technology, Operating Divisions and, beginning in 2014, as Global Vice President, Information Technology.

Ms. Lovett joined the Company in 2014 as Senior Vice President and Chief Administrative Officer. A member of the Company's Board of Directors since 2012, Ms. Lovett resigned her Board position at the time of her appointment as an officer of the Company. Prior to joining Trinity in 2014, she was the Senior Vice President and President of the Education Technology business, for Texas Instruments.

Mr. McDowell joined the Company in 2013 as Vice President and Chief Audit Executive and was named Vice President and Chief Compliance Officer in 2017. 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.

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. 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 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.

Mr. Stevenson joined the Company in 2015 as Associate General Counsel and Secretary and was appointed Vice President, Associate General Counsel and Secretary in 2016. Prior to joining Trinity, Mr. Stevenson was Vice President, General Counsel and Secretary for U.S. Auto Parts Network, Inc. from 2011 to 2015, where he oversaw all of the company's legal efforts. Prior to his tenure at U.S. Auto Parts, he served as Vice President, Associate General Counsel for Blockbuster, Inc., which he joined as Senior Corporate Counsel in 2004. Before Mr. Stevenson joined Blockbuster, he worked at the law firm of Beirne, Maynard & Parsons, LLP.

Ms. Teachout joined the Company in 2015 as Deputy General Counsel and was elected Vice President and Deputy General Counsel in 2016. Prior to joining Trinity, Ms. Teachout was a partner at the law firm of Akin Gump Strauss Hauer & Feld LLP from 2012 to 2015. Before joining Akin Gump, Ms. Teachout had been a partner at the law firm of Haynes and Boone, LLP since 2007.

Mr. Todd joined Trinity in 2006, initially serving as Director of Public Affairs for the Construction, Energy, Marine, and Components Group. Since 2009, Mr. Todd has held several leadership positions at Trinity, culminating in his election in 2015 as Vice President, Public Affairs. Prior to joining Trinity, Mr. Todd had a distinguished 20-year career in the U.S. Navy retiring as a Lieutenant Commander.

Messrs. Wallace, Perry, McWhirter, and Lee, Mses. Henderson and Peck, 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.***

Our business is subject to a number of risks which are discussed below. 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. You should consider carefully these risks and uncertainties in addition to the other information contained in this report and our other filings with the SEC including our subsequent reports on Forms 10-Q and 8-K, and any amendments thereto before deciding to buy, sell, or hold our securities. If any of the following known risks or uncertainties actually occurs with material adverse effects on us, our business, financial condition, results of operations, and/or liquidity could be harmed. In that event, the market price for our various securities could decline and you may lose all or part of your investment.

The cautionary statements below discuss important factors that could cause our business, financial condition, operating results, and cash flows to be materially adversely affected. 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.

Risks Related to our Business

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. Periodic downturns in 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 decline in or 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. While the business cycles of our different operations may not typically coincide, an economic downturn could affect disparate cycles contemporaneously. The impacts of such an economic downturn may magnify the adverse 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 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 unilaterally cancel or terminate firm contracts or orders in whole or in part resulting in contract 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.

Litigated disputes and other 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 final judgments after taking into consideration rights in indemnity and recourse to third parties as a result of which there could be a material adverse effect on our business, operations, or financial condition. See Note 18 Commitments and Contingencies of the Notes to the Consolidated Financial Statements for more detailed information on any material pending legal proceedings other than ordinary routine litigation incidental to our business, including the current status of the Company's Highway Products litigation.

While state and federal procedural rules exist to curtail the filing of claims against the Company in jurisdictions unrelated to the underlying claims, courts sometime may not enforce these rules, exposing us to a greater likelihood of unfavorable results and increased litigation costs. Whenever our products are sold to or ultimately owned and/or operated by governments or their authorized agencies, we may be unable to seek redress or recourse to at-fault parties. When litigation arising from the installation, maintenance, replacement, or use of our products is filed against the Company, recourse to such governments or authorized agencies may be subject to sovereign immunity or related defenses thereby exposing the Company to risk of liability and increased costs irrespective of fault.

Changes 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 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, 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, a change 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 that 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, substances, and materials; and (iii) other activities relating to the protection of human health and the environment. Such laws and regulations expose us to liability for our own acts and in certain instances potentially expose us to liability for the acts of others. These laws and regulations also may impose liability on us currently under circumstances where at the time of the action taken, our acts or those of others complied with then applicable laws and regulations. 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 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 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.

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 respect to product performance and technological innovation, quality, reliability of delivery,

customer service, and other factors. The effects of this competition, which is often intense, 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 for certain of our products, the variable purchase patterns of our customers in all of 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, potentially resulting in significant fluctuations in our quarterly results. Some of the markets we serve have a limited number of customers. The volumes purchased by customers in each of our business segments vary from year to year, and not all customers make purchases every 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 also vary. 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 our credit ratings. In general, the Company, and more specifically its leasing subsidiaries' operations, relies 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 extended periods 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 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 lease rates. The profitability of our railcar leasing business depends on our ability to lease railcars at satisfactory lease rates, to re-lease railcars at satisfactory lease rates 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, maintain satisfactory lease rates, 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 general availability in the market 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 and operating profit.

Fluctuations in the price and supply of raw materials and parts and components 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 raw materials and parts and 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 structural wind towers business. Our manufacturing operations partially depend on our ability to obtain timely deliveries of raw materials, parts, and components in acceptable quantities and quality from our suppliers. Certain raw materials and parts and components for 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 raw materials and 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, potentially increasing our rejections for poor quality and requiring 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. Extreme weather conditions and natural occurrences such as

hurricanes, tornadoes, and floods could result in varying states of disaster and a real or perceived shortage of petroleum and/or natural gas, including rationing thereof, 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 our workmanship and certain materials (including surface coatings, primers, sealants, and interior linings), parts, and components pursuant to express limited contractual warranties. 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 significant costs associated with product recalls or product repair or replacement, and damage to our reputation.

Increasing insurance claims and expenses could lower profitability and increase business risk. We are subject to potential liability for claims alleging property damage and personal and bodily injury or death arising from the use of or exposure to our products, especially in connection with products we manufacture that our customers install along U.S. highways or that our customers use to transport hazardous, flammable, toxic, or explosive materials. As policies expire, premiums for renewed or new coverage may further increase and/or require that we increase our self-insured retention or deductibles. The Company maintains primary coverage and excess coverage policies. If the number of claims or the dollar amounts of any such claims rise in any policy year we could suffer additional costs associated with accessing our excess coverage policies. Also, an increase in the loss amounts attributable to such claims could expose us to uninsured damages if we were unable or elected not to insure against certain claims 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 available insurance coverage. In addition, the availability of, and our ability to collect on, insurance coverage is often subject to factors beyond our control, including positions on policy coverage taken by insurers. If any of our third-party insurers fail, cancel, or refuse coverage, or otherwise are unable to provide us with adequate insurance coverage, then our risk exposure and our operational expenses may 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 assembled, operated, installed, repaired, and maintained. When this does not occur, the Company may be subjected to claims or litigation associated with personal or bodily injuries or death and 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, 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 is continuing. 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 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 products sold or used in those countries. If we fail to comply with the applicable regulations within the foreign countries where we operate, we may be unable to market and sell our products in those countries. In addition, with respect to operations in foreign countries, unexpected changes in laws, rules, and regulatory requirements; tariffs and other trade barriers, including regulatory initiatives for buying goods produced in America; more stringent or restrictive laws, rules, and regulations relating to labor or the environment; adverse tax consequences; price exchange controls; and restrictions or regulations affecting cross-border rail and vehicular traffic 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, anti-bribery, or import/export laws of other countries.

U.S. government actions relative to the federal budget, taxation policies, government expenditures, U.S. borrowing/debt ceiling limits, and trade policies could adversely affect our business and operating results. Periods of impasse, deadlock, and last minute accords may continue to permeate many aspects of U.S. governance, including federal government budgeting and spending, taxation, U.S. deficit spending and debt ceiling adjustments, and international commerce. Such periods could negatively

impact U.S. domestic and global financial markets thereby reducing customer demand 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. We produce many of our products at our manufacturing facilities in Mexico. Our business benefits from free trade agreements such as the North American Free Trade Agreement ("NAFTA"). NAFTA and future import taxes are currently under scrutiny by the current U.S. administration. On August 6, 2017, the U.S. Trade Representative opened the renegotiation of NAFTA with the governments of Canada and Mexico. The U.S. administration has periodically indicated a willingness to exercise its right to withdraw from NAFTA after a six month notice period. If a preference for bi-lateral trade agreements emerges, then wholesale renegotiation of, or a U.S. withdrawal from, NAFTA could result and cause significant change or interruption to commercial transactions between the U.S. and Mexico that could adversely affect our business, financial condition, and results of operations.

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 excessive or low-water conditions issued from time to time by the U.S. Army Corps of Engineers on one or more U.S. rivers that 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 emergency response and 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; TC; the USDOT and the administrative agencies it oversees, including the FRA, the 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, flammable, explosive, and toxic materials.

Revised regulations implemented in 2015 pertaining to the transportation of flammable materials by rail remain in effect. These regulatory changes materially impact: the rail industry as a whole; railroad operations; older and newer tank railcars that met or exceeded prior regulatory requirements and standards; future tank railcar specifications; and market decisions relative to capital investment in rail products.

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 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 various state highway departments and administrative agencies. These organizations, with participation from AASHTO, establish certain standards, specifications, and product testing and test performance criteria related to the manufacture of our highway products.

Our storage and distribution containers are subject to regulation by the PHMSA and the FMCSA, both of which are part of the USDOT. These agencies promulgate and enforce rules and regulations pertaining, in part, to the manufacture of containers that are used in the storage, transportation, and distribution of regulated and non-regulated substances.

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. 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.

Future regulatory changes or the determination that our products or processes are not in compliance with applicable requirements, rules, regulations, specifications, standards, or product testing criteria might result in additional operating expenses, administrative fines or penalties, product recalls or loss of business that could have a material adverse effect on our financial condition and operations.

Some of our customers place orders for our products (i) 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 (ii) to utilize federal-aid programs that allow for purchase price reimbursement or other government funding or subsidies, any of which benefits, credits, or programs could be discontinued or allowed to expire without extension thereby reducing demand for certain of our products. There is no assurance that the U.S. government will reauthorize, modify, or otherwise not allow the expiration of such tax benefits, tax credits, subsidies, or federal-aid programs that may include funding of the purchase or purchase price reimbursement of certain of our products. In instances where such benefits, credits, subsidies, or programs are allowed to expire or are otherwise modified or discontinued, 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, 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, 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. Some scientific studies have suggested that emissions of certain gases, commonly referred to as greenhouse gases ("GHGs") which include carbon dioxide and methane, may be contributing to warming of the Earth's atmosphere and other climate changes. Additionally, we periodically review the potential challenges and opportunities for the Company that climate change policy and legislation may pose. 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.

In response to an emerging scientific and political consensus, legislation and new rules to regulate emission of GHGs has been introduced in numerous state legislatures, the U.S. Congress, and by the USEPA. Some of these proposals would require industries to meet stringent new standards that may require substantial reductions in carbon emissions. While Trinity cannot assess the direct impact of these or other potential regulations, it does recognize that new climate change protocols could affect demand for its products and/or affect the price of materials, input factors, and manufactured components. Potential opportunities could include greater demand for structural wind towers and certain types of railcars, while potential challenges could include decreased demand for certain types of railcars or other products and higher energy costs. Other adverse consequences of climate change could include an increased frequency of severe weather events and rising sea levels that could affect operations at our manufacturing facilities, the price of insuring company assets, or other unforeseen disruptions of the Company's operations, systems, property, or equipment.

Ultimately, 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.

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, the Public Company Accounting Oversight Board, 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 trade secret or other proprietary needs and expectations and, therefore, our future operations, profitability, and competitive position. We rely 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 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, trade secret, or other proprietary or intellectual property that could adversely impact our future results.

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 into which the Company enters 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 financial condition.

The use of social and other digital media (including websites, blogs and newsletters) to disseminate false, misleading and/or unreliable or inaccurate data and information about our Company could create unwarranted volatility in our stock price and losses to our stockholders and could adversely affect our reputation, products, business, and operating results. The number

of people relying on social and other digital media to receive news, data, and information is increasing. Social and other digital media can be used by anyone to publish data and information without regard for factual accuracy. The use of social and other digital media to publish inaccurate, offensive, and disparaging data and information coupled with the increasingly frequent use of strong language and hostile expression, may influence the public's inability to distinguish between what is true and what is false and could obstruct an effective and timely response to correct inaccuracies or falsifications. Such use of social and other digital media could result in unexpected and unsubstantiated claims concerning the Company in general or our products, our leadership or our reputation among customers and the public at large, thereby making it more difficult for us to compete effectively, and potentially having a material adverse effect on our business, operations, or financial condition.

Our inability to sufficiently protect our intellectual property rights could adversely affect our business. Our patents, copyrights, trademarks, service marks, trade secrets, proprietary processes, and other intellectual property are important to our success. We rely on patent, copyright and trademark law, and trade secret protection, and confidentiality and/or license agreements with others to protect our intellectual property rights. Our trademarks, service marks, copyrights, patents, and trade secrets may be exposed to market confusion, commercial abuse, infringement, or misappropriation and possibly challenged, invalidated, circumvented, narrowed, or declared unenforceable by countries where our products and services are made available, but where the laws may not protect our intellectual property rights as fully as in the U.S. Such instances could negatively impact our competitive position and adversely affect our business. Additionally, we could be required to incur significant expenses to protect our intellectual property rights.

The price for our common stock is subject to volatility which may result in losses to our shareholders. During the two year period ended December 31, 2017, the closing sales price of our stock varied between a high of $37.88 per share and a low of $15.64 per share. Stock price volatility affects the price at which our common stock can be sold and could subject our stockholders to losses. The trading price of our common stock is likely to remain volatile and could fluctuate widely in response to, among other things, the risk factors described in this report and other factors including:

- actual or anticipated variations in quarterly and annual results or operations;
- changes in recommendations by securities analysts;
- changes in composition and perception of the investors who own our stock and other securities;
- changes in ratings from national rating agencies on publicly or privately owned debt securities;
- operating and stock price performance of other companies that investors deem comparable to us;
- news reports relating to trends, concerns and other issues in the industries in which we operate;
- actual or expected economic conditions that are perceived to affect our Company;
- perceptions in the marketplace regarding us and/or our competitors;
- fluctuations in prices of commodities that our customers produce and transport;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving us or our competitors;
- changes in government regulations and policies and interpretations of those regulations and policies;
- shareholder activism; and
- dissemination of false or misleading statements through the use of social and other media to discredit our Company, disparage our products, or to harm our reputation.

Additionally, in the past, following periods of volatility in the market price of a public company's securities, securities class action litigation has often been initiated. Any such litigation could result in substantial costs and a diversion of management's attention and resources. We cannot predict the outcome of any such litigation. The initiation of any such litigation or an unfavorable result could have a material adverse effect on our financial condition and results of operations. See Note 18 Commitments and Contingencies of the Notes to the Consolidated Financial Statements for more detailed information on any material pending legal proceedings other than ordinary routine litigation incidental to our business, including the current status of the Company's Highway Products litigation.

Risks Related to the Proposed Spin-Off of our Infrastructure-Related Businesses

Until the distribution occurs, Trinity has the sole discretion to change the terms of the distribution and, whether or not we complete the spin-off, our ongoing businesses may be adversely affected and we may be subject to certain risks and consequences as a result of pursuing the spin-off. Completion of the spin-off will be contingent upon customary closing conditions, including, among other things, finalization of the entity structure of the Infrastructure Company, finalization of the capital structure of the two companies, the effectiveness of appropriate filings with the Securities and Exchange Commission, and final approval from Trinity's Board of Directors. Until the distribution occurs, Trinity will have the sole and absolute discretion to determine and change the terms of the distribution, including the establishment of the record date and distribution date. In addition, Trinity may decide at any time not to proceed with the spin-off. Additionally, whether or not the spin-off is completed, Trinity's businesses may be adversely affected and may be subject to certain risks and consequences as a result of pursuing the spin-off, including, among others, the following:

- execution of the proposed spin-off will require significant time and attention from our management, which may distract them from the operation of our businesses and the execution of other initiatives that may be beneficial to us;
- our employees may be distracted and we may experience increased difficulties in attracting, retaining, and motivating them, due to uncertainty about their future roles with each of the separate companies pending the completion of the spin-off;
- we will be required to pay significant costs and expenses relating to the spin-off, such as legal, accounting, financial advisor and other professional fees, whether or not the spin-off is completed;
- we may experience negative reactions from the financial markets if we fail to complete the spin-off, including possible declines in our stock price; and
- if the spin-off is completed, certain key management will be employed by the Infrastructure Company and not Trinity.

Any of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flows, or the price of our common stock.

Uncertainty related to the spin-off may lead customers and other parties with whom we currently do business to terminate or attempt to negotiate changes in existing business relationships, or consider entering into business relationships with other parties. These disruptions could have a material and adverse effect on Trinity or the Infrastructure Company's businesses, financial condition, results of operations and prospects. The effect of such disruptions could be exacerbated by any delays in the completion of the spin-off.

We may not achieve some or all of the expected benefits of the spin-off, and the spin-off may adversely affect our business. We may not be able to achieve the full strategic and financial benefits expected to result from the spin-off, or such benefits may be delayed or not occur at all. The spin-off is expected to provide the following benefits, among others:

- allow each company to more effectively pursue its own distinct operating priorities and strategies, and enable the management of both companies to pursue separate opportunities for long-term growth and profitability, and to recruit, retain and motivate employees pursuant to compensation policies which are appropriate for their respective lines of business;
- permit each company to concentrate its financial resources solely on its own operations, providing greater flexibility to invest capital in its business in a time and manner appropriate for its distinct strategy and business needs; and
- enable investors to evaluate the merits, performance and future prospects of each company's businesses and to invest in each company separately based on these distinct characteristics.

We may not achieve these and other anticipated benefits for a variety of reasons, including, among others: (a) the spin-off will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business; (b) following the spin-off, Trinity's stock price may be more susceptible to market fluctuations and other events particular to one or more of Trinity's products than if the Infrastructure Company were still a part of Trinity; and (c) following the spin-off, our operational and financial profile will change such that our diversification of revenue sources will diminish, and our results of operations, cash flows, working capital, and financing requirements may be subject to increased volatility than prior to the spin-off. Additionally, we may experience unanticipated competitive developments, including changes in the conditions of our rail-related and infrastructure related businesses' respective markets that could negate the expected benefits from the spin-off. In addition, we will incur one-time costs in connection with the spin-off that may exceed our estimates and negate some of the benefits we expect to achieve. If we do not realize some or all of the benefits expected to result from the spin-off, or if such benefits are delayed, the business, financial condition, and results of operations and cash flows of Trinity could be adversely affected.

Either the Infrastructure Company or Trinity may fail to perform under various transaction agreements that will be executed as part of the spin-off. The Infrastructure Company and Trinity will enter into certain agreements, such as a separation and distribution agreement, a transition services agreement, and certain other agreements, which will provide for the performance by each company for the benefit of the other for a period of time after the spin-off. If either company is unable to satisfy its obligations under these agreements, including its indemnification obligations, the other company could incur operational difficulties or losses.

Potential indemnification liabilities to the Infrastructure Company pursuant to the separation and distribution agreement could materially and adversely affect Trinity's business, financial condition, results of operations and cash flows. The separation and distribution agreement, among other things, will provide for indemnification obligations designed to make Trinity financially responsible for certain liabilities that may exist relating to its business activities. If Trinity is required to indemnify the Infrastructure Company under the circumstances set forth in the separation and distribution agreement, Trinity may be subject to substantial liabilities.

In connection with the spin-off, the Infrastructure Company will indemnify Trinity for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure Trinity against the full amount of such liabilities, or that the Infrastructure Company's ability to satisfy its indemnification obligation will not be impaired in the future. The Infrastructure

Company will agree to indemnify Trinity for certain liabilities. However, third parties could also seek to hold Trinity responsible for liabilities that the Infrastructure Company has agreed to assume, and there can be no assurance that the indemnity from the Infrastructure Company will be sufficient to protect Trinity against the full amount of such liabilities, or that the Infrastructure Company will be able to fully satisfy its indemnification obligations. In addition, the Infrastructure Company's insurers may attempt to deny coverage to Trinity for liabilities associated with certain occurrences of indemnified liabilities prior to the spin-off.

If the proposed spin-off of our infrastructure-related businesses is completed, the trading price of our common stock will decline. We expect the trading price of our common stock immediately following the spin-off to be lower than immediately preceding the spin-off, as the trading price of our common stock will no longer reflect the value of our infrastructure-related businesses.

Following the spin-off, the value of your common stock in: (a) Trinity and (b) the Infrastructure Company may collectively trade at an aggregate price less than what Trinity's common stock might trade at had the spin-off not occurred. The common stock of: (a) Trinity and (b) the Infrastructure Company that you may hold following the spin-off may collectively trade at a value less than the price at which Trinity's common stock might have traded had the spin-off not occurred. Reasons for this potential difference include the future performance of either Trinity or the Infrastructure Company as separate, independent companies, and the future stockholder base and market for Trinity's common stock and those of the Infrastructure Company and the prices at which these shares individually trade.

If the distribution of shares of the Infrastructure Company, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, Trinity stockholders and Trinity could be subject to significant tax liability. In connection with the distribution of shares in the Infrastructure Company, we intend to obtain a private letter ruling from the IRS (the "IRS Ruling") and opinions from tax advisors (the "Tax Opinions"), in each case substantially to the effect that, among other things, the distribution of shares in the Infrastructure Company, together with certain related transactions, will qualify as tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The IRS Ruling and the Tax Opinions will rely on certain facts, assumptions, representations, and undertakings from Trinity and the Infrastructure Company**,** including those regarding the past and future conduct of the companies' respective businesses and other matters. Notwithstanding the IRS Ruling and the Tax Opinions, the IRS could determine that the distribution or any such related transaction is taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated, or that the distribution should be taxable for other reasons, including if the IRS were to disagree with the conclusions in the Tax Opinions that are not covered by the IRS Ruling.

If the distribution is determined to be taxable for U.S. federal income tax purposes, a stockholder of Trinity that has received shares of the Infrastructure Company common stock in the distribution would be treated as having received a distribution of property in an amount equal to the fair value of such Infrastructure Company shares on the distribution date and could incur significant income tax liabilities. Such distribution would be taxable to such stockholder as a dividend to the extent of Trinity's current and accumulated earnings and profits. Any amount that exceeded Trinity's earnings and profits would be treated first as a non-taxable return of capital to the extent of such stockholder's tax basis in its shares of Trinity stock, with any remaining amount being taxed as capital gain. Trinity would recognize a taxable gain in an amount equal to the excess, if any, of the fair market value of the shares of the Infrastructure Company common stock held by Trinity on the distribution date over Trinity's tax basis in such shares. In addition, if certain related transactions fail to qualify for tax-free treatment under federal, state and local tax law and/or foreign tax law, Trinity could incur significant tax liabilities under U.S. federal, state, local and/or foreign tax law.

The spin-off and related internal restructuring transactions may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal dividend requirements. *The spin-off could be challenged* under various state and federal fraudulent conveyance laws. Fraudulent conveyances or transfers are generally defined to include transfers made or obligations incurred with the actual intent to hinder, delay or defraud current or future creditors or transfers made or obligations incurred for less than reasonably equivalent value when the debtor was insolvent, or that rendered the debtor insolvent, inadequately capitalized, or unable to pay its debts as they become due. An unpaid creditor or an entity acting on behalf of a creditor (including, without limitation, a trustee or debtor-in-possession in a bankruptcy by us or the Infrastructure Company or any of our respective subsidiaries) may bring a lawsuit alleging that the spin-off or any of the related transactions constituted a constructive fraudulent conveyance. If a court accepts these allegations, it could impose a number of remedies, including, without limitation, voiding the distribution and returning the Infrastructure Company's assets or the Infrastructure Company's shares and subject us to liability.

The distribution of the Infrastructure Company common stock is also subject to state corporate distribution statutes. Under the Delaware General Corporation Law ("DGCL"), a corporation may only pay dividends to its stockholders either (i) out of its surplus (net assets minus capital) or (ii) if there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Although Trinity intends to make the distribution of the Infrastructure Company common stock entirely out of surplus, Trinity cannot ensure that a court would reach the same conclusion in determining the availability of funds for the separation and the distribution to our stockholders.

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	5,763,300	131,600	3,860,400	2,034,500	—
Construction Products Group	1,311,200	94,700	1,374,800	31,100	—
Inland Barge Group	632,300	81,000	713,300	—	—
Energy Equipment Group	2,290,300	539,400	1,828,300	931,000	70,400
Corporate Offices	231,200	16,400	227,400	20,200	—
	10,228,300	863,100	8,004,200	3,016,800	70,400

* excludes non-operating facilities

Our estimated weighted average production capacity utilization for the twelve month period ended December 31, 2017 is reflected by the following percentages:

	Production Capacity Utilized*
Rail Group	80%
Construction Products Group	75%
Inland Barge Group	40%
Energy Equipment Group	70%

* excludes non-operating facilities

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.

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, 2017 and 2016.

	Prices	
Year Ended December 31, 2017	**High**	**Low**
Quarter ended March 31, 2017	$ 29.19	$ 25.58
Quarter ended June 30, 2017	28.35	25.49
Quarter ended September 30, 2017	31.90	26.96
Quarter ended December 31, 2017	37.88	31.54
Year Ended December 31, 2016	**High**	**Low**
Quarter ended March 31, 2016	$ 24.32	$ 15.64
Quarter ended June 30, 2016	19.93	16.73
Quarter ended September 30, 2016	25.05	18.71
Quarter ended December 31, 2016	29.24	21.01

Our transfer agent and registrar as of December 31, 2017 was American Stock Transfer & Trust Company.

Holders

At December 31, 2017, we had 1,897 record holders of common stock. The par value of the common stock is $0.01 per share.

Dividends

Trinity has paid 215 consecutive quarterly dividends. Quarterly dividends declared by Trinity for the years ended December 31, 2017 and 2016 are as follows:

	Year Ended December 31,	
	2017	2016
Quarter ended March 31,	$ 0.11	$ 0.11
Quarter ended June 30,	0.13	0.11
Quarter ended September 30,	0.13	0.11
Quarter ended December 31,	0.13	0.11
Total	$ 0.50	$ 0.44

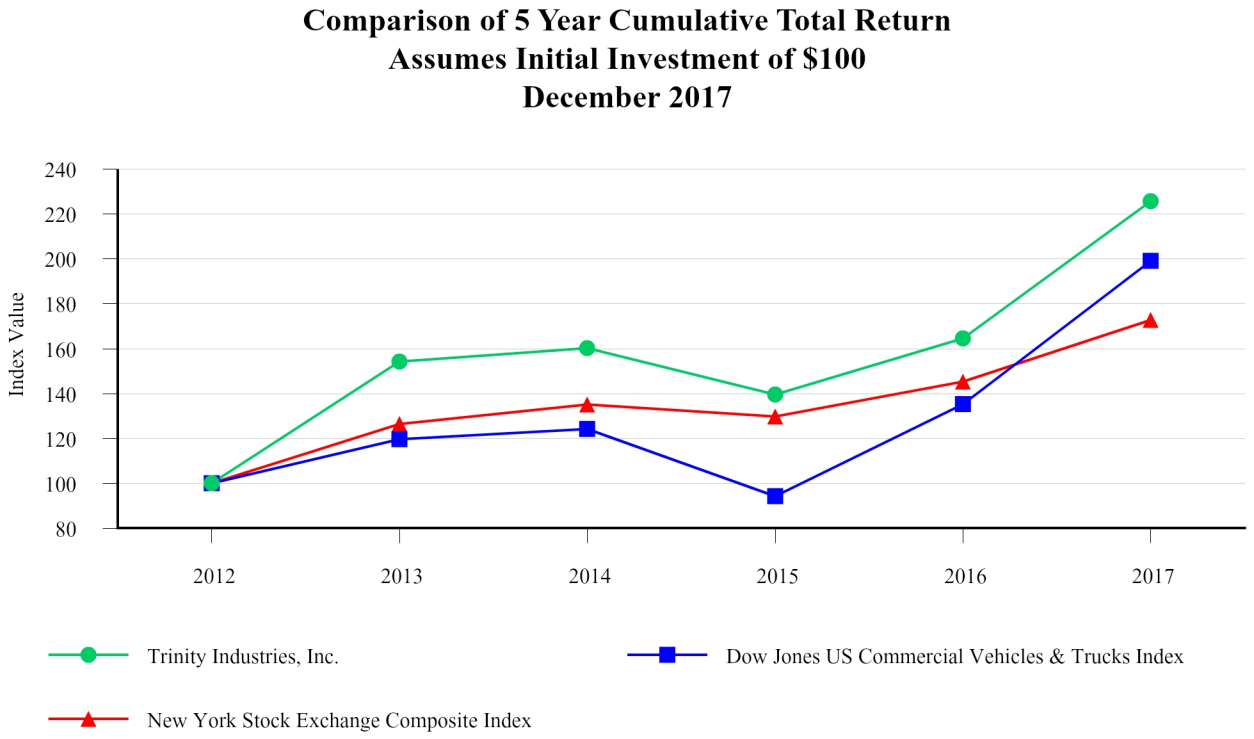
Recent Sales of Unregistered Securities

On October 2, 2017, in connection with the Company's acquisition of the assets of a lightweight aggregate business, the Company issued an aggregate of 459,603 shares of its common stock valued at $14.7 million to a privately-held entity. These shares were issued in a transaction not involving a public offering in reliance on the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933 ("Securities Act"). The party to whom the shares were issued represented that it was an "accredited investor," as defined by Regulation D promulgated under Section 4(a)(2) of the Securities Act, and that it was acquiring the shares for its own account and not for the purpose of distribution. No underwriters or placement agents were involved in connection with such issuance of common stock.

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, 2017 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, 2012.



	2012	2013	2014	2015	2016	2017
Trinity Industries, Inc.	100	154	160	139	165	226
Dow Jones US Commercial Vehicles & Trucks Index	100	120	124	94	135	199
New York Stock Exchange Composite Index	100	126	135	130	145	173

Issuer Purchases of Equity Securities

This table provides information with respect to purchases by the Company of shares of its common stock during the quarter ended December 31, 2017:

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, 2017 through October 31, 2017	4,512	$ 34.14	—	$ 163,034,477
November 1, 2017 through November 30, 2017	1,368	$ 32.29	—	$ 163,034,477
December 1, 2017 through December 31, 2017	887,319	$ 37.31	883,200	$ 130,081,171
Total	893,199	$ 37.28	883,200	$ 130,081,171

[1] These columns include the following transactions during the three months ended December 31, 2017: (i) the surrender to the Company of 9,353 shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock issued to employees, (ii) the purchase of 646 shares of common stock by the Trustee for assets held in a non-qualified employee profit-sharing plan trust, and (iii) the purchase of 883,200 shares of common stock on the open market as part of the stock repurchase program.

[2] In December 2017, the Company's Board of Directors authorized a new $500 million share repurchase program effective January 1, 2018 through December 31, 2019. The new program replaced the previous program which expired on December 31, 2017. Under the previous program, 883,200 shares were repurchased during the three months ended December 31, 2017. Certain shares of stock repurchased during December 2017, totaling $6.0 million, were cash settled in January 2018 in accordance with normal settlement practices.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.

Item 6. ***Selected Financial Data.***

The following financial information for the five years ended December 31, 2017 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,				
	2017	**2016**	**2015**	**2014**	**2013**
	(in millions, except percent and per share data)				
Statement of Operations Data:					
Revenues	**$ 3,662.8**	$ 4,588.3	$ 6,392.7	$ 6,170.0	$ 4,365.3
Operating profit	**549.1**	742.2	1,438.9	1,251.0	772.9
Income from continuing operations before income taxes	**372.0**	566.8	1,252.0	1,064.1	590.5
Provision (benefit) for income taxes	**(341.6)**	202.1	426.0	354.8	204.4
Income from continuing operations	**713.6**	364.7	826.0	709.3	386.1
Gain on sale of discontinued operations, net of provision for income taxes of $-, $-, $-, $-, and $5.4	**—**	—	—	—	7.1
Loss from discontinued operations, net of benefit for income taxes of $-, $-, $-, $-, and $0.8	**—**	—	—	—	(0.8)
Net income	**$ 713.6**	$ 364.7	$ 826.0	$ 709.3	$ 392.4
Net income attributable to Trinity Industries, Inc.	**$ 702.5**	$ 343.6	$ 796.5	$ 678.2	$ 375.5
Net income attributable to Trinity Industries, Inc. per common share:					
Basic:					
Continuing operations	**$ 4.62**	$ 2.25	$ 5.14	$ 4.35	$ 2.34
Discontinued operations	**—**	—	—	—	0.04
	$ 4.62	$ 2.25	$ 5.14	$ 4.35	$ 2.38
Diluted:					
Continuing operations	**$ 4.52**	$ 2.25	$ 5.08	$ 4.19	$ 2.34
Discontinued operations	**—**	—	—	—	0.04
	$ 4.52	$ 2.25	$ 5.08	$ 4.19	$ 2.38
Weighted average number of shares outstanding:					
Basic	**148.6**	148.4	150.2	151.0	152.8
Diluted	**152.0**	148.6	152.2	156.7	152.9
Dividends declared per common share	**$ 0.500**	$ 0.440	$ 0.430	$ 0.375	$ 0.270
Balance Sheet Data:					
Total assets	**$ 9,543.2**	$ 9,125.3	$ 8,885.9	$ 8,695.3	$ 7,274.5
Debt - recourse	**$ 866.8**	$ 850.6	$ 836.7	$ 823.6	$ 416.5
Debt - non-recourse	**$ 2,375.6**	$ 2,206.0	$ 2,358.7	$ 2,690.9	$ 2,534.4
Stockholders' equity	**$ 4,858.0**	$ 4,311.1	$ 4,048.7	$ 3,397.4	$ 2,749.1
Ratio of total debt to total capital	**40.0%**	41.5%	44.1%	50.8%	51.8%
Book value per share	**$ 32.21**	$ 28.34	$ 26.50	$ 21.83	$ 17.75

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act reduces the U.S. federal corporate income tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign-sourced earnings. As of December 31, 2017, we have completed an initial assessment of the tax effects of enactment of the Act, and have made a reasonable estimate of the effects on our existing deferred tax balances. We remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to impact future tax returns. However, we are still analyzing certain aspects of the Act and refining our calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts resulting in adjustments in future periods in 2018. The impact of the Act may differ from our estimate due to changes in the regulations, rulings, guidance, and interpretations issued by the IRS and the Financial Accounting Standards Board ("FASB") as well as interpretations and assumptions made by the Company. For the items for which we were able to determine a reasonable estimate, we recognized a provisional net benefit of $476.2 million or $3.06 per common diluted share for the year ended December 31, 2017, which is included as a component of income tax expense.

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 complementary market-leading businesses providing products and services to the energy, chemical, agriculture, transportation, and construction sectors, among others. We operate in five distinct business groups that 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, Inland Barge, and Leasing Groups and our structural wind towers, utility structures, and storage and distribution containers businesses operate in cyclical industries. Additionally, results in our Construction Products Group are affected by seasonal fluctuations with the second and third quarters historically being the quarters with the highest revenues. Due to their transactional nature, railcar sales from the lease fleet are the primary driver of fluctuations in results in the Railcar Leasing and Management Services Group.

We continue to experience below normal demand levels for many of the Company's products and services. The oversupply of railcars and barges in the North American market has limited new order levels for these businesses. We continue to assess demand for our products and services and take steps to align our manufacturing capacity appropriately.

Executive Summary

The Company's revenues for 2017 were $3.7 billion, representing a decrease of $0.9 billion or 20.2% over last year. Operating profit for 2017 totaled $549.1 million, representing a decrease of 26.0% over last year. The decrease in both revenues and operating profit for 2017, when compared to the previous year, resulted primarily from lower volumes in our Rail and Inland Barge Groups. Revenues and operating profit in our Construction Products Group declined primarily as a result of lower volumes in our highway products and construction aggregates businesses. Revenues and operating profit generated by our Energy Equipment Group decreased, compared to the previous year, primarily as a result of lower delivery volumes in our wind towers and other product lines partially offset by an increase in revenues from our utility structures business. In our Leasing Group, revenues increased over last year resulting primarily from higher leasing and management revenue. Operating profit in our Leasing Group increased over last year primarily as a result of a higher volume of sales of leased railcars.

Selling, engineering, and administrative expenses increased by 11.6% for the year ended December 31, 2017, when compared to the prior year primarily due to higher performance-related compensation and consulting costs. At December 31, 2017, the Company's headcount, including both production and non-production personnel, had decreased approximately 12% since the end of 2016 primarily due to actions taken to realign our personnel costs with current market conditions.

As of December 31, 2017 and 2016 our backlog of firm orders was as follows:

	December 31, 2017	December 31, 2016
	(in millions)	
Rail Group		
External Customers	**$ 1,334.7**	$ 2,156.6
Leasing Group	**829.5**	850.9
	$ 2,164.2	$ 3,007.5
Inland Barge Group	**$ 98.2**	$ 120.0
Wind towers	**$ 780.8**	$ 1,148.4

For the twelve months ended December 31, 2017, our rail manufacturing businesses received orders for 12,900 railcars. The change in backlog as of December 31, 2017 compared with our backlog as of December 31, 2016 reflects the value of orders taken, net of cancellations, executory contract change orders and price modifications, and orders delivered 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 customers may alternatively choose to purchase railcars as external sales from the Rail Group. Approximately 65% of our railcar backlog is expected to be delivered during the year ending December 31, 2018 with the remainder to be delivered thereafter into 2021. Substantially all of our Inland Barge backlog is expected to be delivered during the year ending December 31, 2018. Approximately 33% of our structural wind towers backlog is expected to be delivered during the year ending December 31, 2018 with the remainder to be delivered through 2020. The Company does not report backlog from its utility structures business because certain contracts contain partial order cancellation provisions.

Capital expenditures for 2017 were $712.7 million with $608.3 million utilized for net lease fleet additions, net of deferred profit of $92.0 million. Manufacturing and corporate capital expenditures for 2018 are projected to be between $100.0 million and $150.0 million. For 2018, after taking into account deferred profit on new railcar additions and planned modifications to the lease fleet, we anticipate a net investment of approximately $500.0 million in our lease fleet, after taking into account the proceeds from sales of leased railcars.

During the year ended December 31, 2017, 2016, and 2015 the Company received proceeds from the sale of leased railcars as follows:

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Leasing Group:			
Railcars owned one year or less at the time of sale	**$ 99.6**	$ 126.1	$ 404.9
Railcars owned more than one year at the time of sale	**360.7**	37.7	514.6
Rail Group	**—**	8.1	260.5
	$ 460.3	$ 171.9	$ 1,180.0

In May and October 2017, we completed the acquisition of the assets of two lightweight aggregates businesses. In July 2017, we completed the acquisition of the assets of a trench shoring products business. All three acquisitions were in our Construction Products Group.

In May 2017, Trinity Rail Leasing 2017, LLC, a Delaware limited liability company ("TRL 2017") and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $302.4 million of promissory notes (the "2017 Promissory Notes") due May 15, 2024, of which $293.6 million was outstanding as of December 31, 2017. The 2017 Promissory Notes are obligations of TRL 2017 and are non-recourse to Trinity. The 2017 Promissory Notes bear interest at Libor plus a margin for an all-in interest rate of 3.00% as of December 31, 2017, payable monthly. The 2017 Promissory Notes are secured by a portfolio of railcars and operating leases thereon, certain cash reserves, and other assets acquired and owned by TRL 2017.

In August 2017, TRIP Master Funding issued $237.9 million in aggregate principle amount of Series 2017-1 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 August 2047. The proceeds from the issuance were used primarily to retire the TRIP Master Funding Secured Railcar Equipment Notes Class A-1a and Class A-1b notes as well as the TRIP Master Funding Series 2014-1 Secured Railcar Equipment Notes Class A-1 notes in full. The TRIP Master Funding Series 2017-1 Secured Railcar Equipment Notes consist of two classes with the Class A-1 notes bearing interest at 2.71% and the Class A-2 notes bearing interest at 3.74%. The TRIP Master Funding Series 2017-1 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, 2017, there were $97.3 million and $134.9 million of Class A-1 and Class A-2 notes outstanding, respectively.

In May 2017, the Company declared an increase in its quarterly dividend from $0.11 to $0.13 per share, reflecting an 18% increase.

In December 2017, the Company's Board of Directors authorized a new $500 million share repurchase program effective January 1, 2018 through December 31, 2019. The new program replaced the previous program which expired on December 31, 2017. Under the previous program, 2,825,400 shares were repurchased during the year ended December 31, 2017, at a cost of $85.4 million. Certain shares of stock repurchased during December 2017, totaling $6.0 million, were cash settled in January 2018 in accordance with normal settlement practices.

In December 2017, the Company announced that its Board of Directors unanimously approved a plan to pursue a spin-off of the Company's infrastructure-related businesses to Trinity stockholders. The separation is planned as a tax-free spin-off transaction to the Company's stockholders for U.S. federal income tax purposes. The transaction is expected to result in two separate public companies: (1) Trinity, the currently existing company, which will be comprised primarily of Trinity's rail-related businesses and (2) a new infrastructure company, focused on infrastructure-related products and services (the "Infrastructure Company").

Completion of the spin-off will be subject to, among other things, the effectiveness of appropriate filings with the Securities and Exchange Commission, final approval from the Company's Board of Directors, and other customary conditions. The Company may, at any time and for any reason until the proposed transaction is complete, abandon the separation or modify or change its terms. The separation is expected to be completed in the fourth quarter of 2018, but there can be no assurance regarding the ultimate timing of the separation or that the separation will ultimately occur. See information in Item 1A "Risk Factors" under the heading "Risks Related to the Proposed Spin-Off of our Infrastructure-Related Businesses" for a description of some of the risks and uncertainties associated with the proposed transaction.

A current summary of the Company's Highway Products litigation is provided in Note 18 of the Notes to the Consolidated Financial Statements.

Results of Operations

Years Ended December 31, 2017, 2016, and 2015

Overall Summary

Revenues

	Year Ended December 31, 2017			
	Revenues			Percent Change 2017 versus 2016
	External	Intersegment	Total	
		($ in millions)		
Rail Group	$ 1,295.3	$ 788.5	$ 2,083.8	(32.3) %
Construction Products Group	498.9	5.7	504.6	(3.6)
Inland Barge Group	157.9	—	157.9	(60.8)
Energy Equipment Group	859.4	115.5	974.9	(3.7)
Railcar Leasing and Management Services Group	842.2	1.0	843.2	2.0
All Other	9.1	88.8	97.9	6.2
Segment Totals before Eliminations	3,662.8	999.5	4,662.3	(21.5)
Eliminations – Lease subsidiary	—	(732.0)	(732.0)	
Eliminations – Other	—	(267.5)	(267.5)	
Consolidated Total	$ 3,662.8	$ —	$ 3,662.8	(20.2)

	Year Ended December 31, 2016			
	Revenues			Percent Change 2016 versus 2015
	External	Intersegment	Total	
		($ in millions)		
Rail Group	$ 2,006.9	$ 1,070.4	$ 3,077.3	(31.0) %
Construction Products Group	510.6	12.6	523.2	(1.8)
Inland Barge Group	403.0	0.1	403.1	(38.3)
Energy Equipment Group	834.7	178.0	1,012.7	(9.1)
Railcar Leasing and Management Services Group	824.9	2.1	827.0	(25.1)
All Other	8.2	84.0	92.2	(17.9)
Segment Totals before Eliminations	4,588.3	1,347.2	5,935.5	(25.6)
Eliminations – Lease subsidiary	—	(1,021.9)	(1,021.9)	
Eliminations – Other	—	(325.3)	(325.3)	
Consolidated Total	$ 4,588.3	$ —	$ 4,588.3	(28.2)

	Year Ended December 31, 2015		
	Revenues		
	External	Intersegment	Total
		($ in millions)	
Rail Group	$ 3,236.2	$ 1,225.6	$ 4,461.8
Construction Products Group	520.6	12.0	532.6
Inland Barge Group	652.9	—	652.9
Energy Equipment Group	883.6	230.1	1,113.7
Railcar Leasing and Management Services Group	1,091.6	13.2	1,104.8
All Other	7.8	104.5	112.3
Segment Totals before Eliminations	6,392.7	1,585.4	7,978.1
Eliminations – Lease subsidiary	—	(1,164.4)	(1,164.4)
Eliminations – Other	—	(421.0)	(421.0)
Consolidated Total	$ 6,392.7	$ —	$ 6,392.7

Our revenues for the year ended December 31, 2017, decreased by 20.2% from the previous year primarily as a result of reduced volumes in our Rail and Inland Barge Groups. Revenues from our Construction Products Group decreased for the year ended December 31, 2017 primarily due to lower volumes in the highway products and construction aggregates businesses partially offset by higher volumes in the Group's other businesses as a result of an acquisition. In our Energy Equipment Group, revenues decreased primarily as a result of lower delivery volumes in our wind towers and other product lines partially offset by an increase in revenues from our utility structures business. Revenues from our Leasing Group increased for the year ended December 31, 2017 when compared to the prior year period primarily as a result of growth in the lease fleet and higher asset management fees partially offset by lower sales of leased railcars owned one year or less.

Our revenues for the year ended December 31, 2016, decreased by 28.2% from the previous year primarily as a result of reduced volumes and product mix changes in our Rail Group. We also experienced lower barge shipments and product mix changes in our Inland Barge Group. Revenues from sales of leased railcars in our Leasing Group were lower in 2016 when compared to the prior year. In our Energy Equipment Group, lower volumes in our utility structures business and other product lines were partially offset by higher volumes in our structural wind towers business. Revenues from our Construction Products Group decreased primarily due to lower volumes in the Group's other businesses including lost revenues from the sale of the Group's galvanizing business in 2015.

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,		
	2017	**2016**	**2015**
		(in millions)	
Rail Group	**$ 1,867.7**	$ 2,617.4	$ 3,530.2
Construction Products Group	**438.2**	450.6	478.1
Inland Barge Group	**151.5**	357.8	535.9
Energy Equipment Group	**874.0**	879.6	962.8
Railcar Leasing and Management Services Group	**398.7**	466.9	498.6
All Other	**117.2**	111.1	120.5
Segment Totals before Eliminations and Corporate Expenses	**3,847.3**	4,883.4	6,126.1
Corporate	**167.3**	131.0	152.6
Eliminations – Lease subsidiary	**(640.0)**	(843.7)	(904.8)
Eliminations – Other	**(260.9)**	(324.6)	(420.1)
Consolidated Total	**$ 3,113.7**	$ 3,846.1	$ 4,953.8

Operating costs for the year ended December 31, 2017 decreased by 19.0% over the previous year primarily due to lower shipment levels in our Rail and Inland Barge Groups. The reduction in operating costs was partially offset by additional costs associated with aligning our production footprint with demand in several of our business groups. Selling, engineering, and administrative expenses increased for the year ended December 31, 2017, by 11.6% primarily due to higher performance-related compensation and consulting costs.

Operating costs for the year ended December 31, 2016 decreased by 22.4% over the previous year primarily due to lower shipment levels in our Rail and Inland Barge Groups. Operating costs in our Energy Equipment Group decreased over the prior year primarily due to lower volumes in our utility structures and other businesses. Our Construction Products Group experienced lower operating costs over the prior year primarily as a result of improved manufacturing efficiencies in our highway products business and lower volumes in the Group's other businesses including the effects of the 2015 sale of assets of the galvanizing business. Operating costs in our Leasing Group decreased primarily as a result of lower profit from sales of leased railcars partially offset by higher maintenance and compliance costs. Selling, engineering, and administrative expenses decreased for the year ended December 31, 2016, by 14.5% primarily due to lower compensation expenses.

Operating Profit (Loss)

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Rail Group	**$ 216.1**	$ 459.9	$ 931.6
Construction Products Group	**66.4**	72.6	54.5
Inland Barge Group	**6.4**	45.3	117.0
Energy Equipment Group	**100.9**	133.1	150.9
Railcar Leasing and Management Services Group	**444.5**	360.1	606.2
All Other	**(19.3)**	(18.9)	(8.2)
Segment Totals before Eliminations and Corporate Expenses	**815.0**	1,052.1	1,852.0
Corporate	**(167.3)**	(131.0)	(152.6)
Eliminations – Lease subsidiary	**(92.0)**	(178.2)	(259.6)
Eliminations – Other	**(6.6)**	(0.7)	(0.9)
Consolidated Total	**$ 549.1**	$ 742.2	$ 1,438.9

Our operating profit for the year ended December 31, 2017 decreased by 26.0% when compared to the prior year period primarily as a result of lower shipment volumes in our Rail and Inland Barge Groups. Operating profit was affected by additional costs associated with aligning our production footprint with demand in several of our business groups. Operating profit in the Construction Products Group decreased for the year ended December 31, 2017 when compared to the prior year primarily due to lower volumes in our highway products and construction aggregates businesses partially offset by higher volumes in the Group's other businesses as a result of an acquisition. Operating profit in our Energy Equipment Group decreased for the year ended December 31, 2017 when compared to the prior year as a result of lower delivery volumes in our wind towers and other product lines partially offset by an increase in revenues from our utility structures business. Operating profit in our Leasing Group increased for the year ended December 31, 2017 over the prior year primarily as a result of a higher volume of sales of leased railcars and higher leasing and management operating profit as a result of growth in the lease fleet, higher management advisory fees, and lower fleet maintenance and compliance expense. Operating profit from sales of leased railcars in our Leasing Group totaled $103.2 million and $47.6 million for the years ended December 31, 2017 and 2016, respectively.

Our operating profit for the year ended December 31, 2016 decreased by 48.4% primarily as a result of lower shipment volumes in our Rail and Inland Barge Groups. Operating profit was affected by additional costs associated with aligning our production footprint with demand in several of our business groups. Operating profit in the Construction Products Group increased when compared to the prior year primarily due to lower selling, engineering and administrative costs; higher volumes in our construction aggregates business; and improved manufacturing efficiencies in our highway products business. These factors were partially offset by lower volumes in the Group's other businesses and property disposition gains in 2015 related to the sale of assets of our galvanizing business in 2015. Operating profit in our Energy Equipment Group decreased when compared to the prior year as lower volumes from our utility structures and other businesses were partially offset by higher volumes in our structural wind towers business. Operating profit in our Leasing Group decreased for the year ended December 31, 2016 over the prior year primarily as a result of lower railcar sales and higher maintenance and compliance costs.

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

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

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Interest income	**$ (10.6)**	$ (5.4)	$ (2.2)
Interest expense	**184.0**	181.9	194.7
Other, net	**3.7**	(1.1)	(5.6)
Consolidated Total	**$ 177.1**	$ 175.4	$ 186.9

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 before income taxes:

	Year Ended December 31,		
	2017	**2016**	**2015**
Statutory rate	**35.0 %**	35.0%	35.0%
Effect of Tax Cuts and Jobs Act	**(128.0)**	—	—
State taxes	**1.3**	1.4	1.2
Domestic production activities deduction	**—**	—	(1.4)
Noncontrolling interest in partially-owned subsidiaries	**(1.0)**	(1.3)	(0.8)
Settlements with tax authorities	**(1.1)**	(0.1)	—
Equity compensation	**0.5**	—	—
Changes in valuation allowances and reserves	**1.8**	0.3	—
Other, net	**(0.3)**	0.4	—
Effective rate	**(91.8)%**	35.7%	34.0%

Our effective tax rate reflects the Company's estimate for 2017 of its state income tax expense, income attributable to the noncontrolling interests in partially-owned leasing subsidiaries for which no income tax expense is provided, excess tax deficiencies related to equity compensation in accordance with ASU 2016-09, and the impact of the completion of income tax audits that resulted in a net tax benefit. See Note 5 of the Notes to the Consolidated Financial Statements for a further explanation of activities with respect to our partially-owned leasing subsidiaries.

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act reduces the U.S. federal corporate income tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign-sourced earnings. As of December 31, 2017, we have completed an initial assessment of the tax effects of the Act, and have made a reasonable estimate of the effects on our existing deferred tax balances. We remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to impact future tax returns. However, we are still analyzing certain aspects of the Act and refining our calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts resulting in adjustments in future periods in 2018. The impact of the Act may differ from our estimate due to changes in the regulations, rulings, guidance, and interpretations issued by the IRS and the FASB as well as interpretations and assumptions made by the Company. For the items for which we were able to determine a reasonable estimate, we recognized a provisional net benefit of $476.2 million for the year ended December 31, 2017, which is included as a component of income tax expense.

Income (loss) before income taxes for the years ended December 31, 2017, 2016, and 2015 was $376.1 million, $573.1 million, and $1,241.1 million, respectively, for U.S. operations, and $(4.1) million, $(6.3) million, and $10.9 million, respectively, for foreign operations, principally Mexico and Canada. The Company provides deferred income taxes on the unrepatriated earnings of its foreign operations where it results in a deferred tax liability.

At December 31, 2017, the Company had $18.9 million of federal consolidated net operating loss carryforwards and $7.8 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 that we have estimated may not be realizable.

Income tax payments, net of refunds, differ from the current provision primarily based on when estimated tax payments were due as compared to when the related income was earned and taxable. The Company's consolidated income tax position was a net receivable of $25.1 million and $101.1 million from federal, state, and foreign jurisdictions at December 31, 2017 and 2016, respectively. Income tax payments (refunds) during the years ended December 31, 2017, 2016, and 2015 totaled $(77.8) million, $(57.9) million, and $326.8 million, respectively.

See Note 13 of the Notes to the Consolidated Financial Statements for a further discussion of income taxes.

Segment Discussion

Rail Group

	Year Ended December 31,			Percent Change	
	2017	2016	2015	2017 versus 2016	2016 versus 2015
		($ in millions)			
Revenues:					
Railcars	**$ 1,853.1**	$ 2,894.3	$ 4,301.7	**(36.0)%**	(32.7)%
Components and maintenance services	**230.7**	183.0	160.1	**26.1**	14.3
Total revenues	**2,083.8**	3,077.3	4,461.8	**(32.3)**	(31.0)
Operating costs:					
Cost of revenues	**1,806.6**	2,555.0	3,449.4	**(29.3)**	(25.9)
Selling, engineering, and administrative costs	**61.1**	63.6	80.8	**(3.9)**	(21.3)
Property disposition gains	**—**	(1.2)	—		
Operating profit	**$ 216.1**	$ 459.9	$ 931.6	**(53.0)**	(50.6)
Operating profit margin	**10.4%**	14.9%	20.9%		

As of December 31, 2017, 2016, and 2015 our Rail Group backlog of railcars was as follows:

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
External Customers	**$ 1,334.7**	$ 2,156.6	$ 3,948.5
Leasing Group	**829.5**	850.9	1,452.7
Total	**$ 2,164.2**	$ 3,007.5	$ 5,401.2

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

	Year Ended December 31,		
	2017	2016	2015
Beginning balance	**29,220**	48,885	61,035
Orders received	**12,900**	7,825	22,145
Shipments	**(18,395)**	(27,240)	(34,295)
Ending balance[1]	**22,585**	29,220	48,885

[1] The ending backlog figures for the years ended December 31, 2017 and 2016 reflects the removal of 1,140 and 250 railcars, respectively, that have not been netted against orders. The adjustment for the year ended December 31, 2017 includes 650 railcars that resulted from an order cancellation negotiated and agreed to with a customer in October 2017. The Company received compensation for the cancellation and recorded a cancellation fee during the year ended December 31, 2017.

Revenues decreased for the year ended December 31, 2017 by 32.3% when compared to the prior year with approximately 94% of the decrease in Rail Group revenue resulting from a decrease in unit deliveries with the remainder primarily due to product mix changes. Cost of revenues decreased for the year ended December 31, 2017 by 29.3% when compared with the prior year primarily due to a decrease in unit deliveries.

Revenues decreased for the year ended December 31, 2016 by 31.0% when compared to 2015 with approximately 63% of the decrease in Rail Group revenue resulting from a decrease in unit deliveries with the remainder primarily due to product mix changes. Cost of revenues decreased for the year ended December 31, 2016 by 25.9% when compared with the prior year primarily due to a decrease in unit deliveries.

Unit decreases and lower prices decreased total backlog dollars by 28.0% when comparing December 31, 2017 to the prior year. The average selling price in the backlog at December 31, 2017 was 6.9% lower as compared to the previous year primarily due to pricing and product mix changes. Backlog decreased when comparing 2016 versus 2015 due to unit decreases and lower prices. The average selling price in the backlog at December 31, 2016 was 6.8% lower as compared to the previous year primarily due to product mix changes. Approximately 65% of our railcar backlog is expected to be delivered during the year ending December 31, 2018 with the remainder to be delivered thereafter into 2021. The backlog dedicated to the Leasing Group is supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery as customers may alternatively choose to purchase railcars as external sales from the Rail Group.

For the year ended December 31, 2017, Rail Group revenues included sales to the Leasing Group of $732.0 million with a deferred profit of $92.0 million, representing 7,745 railcars, compared to $1,021.9 million with a deferred profit of $178.2 million, representing 9,385 railcars, in the comparable period in 2016. Results for the year ended December 31, 2015, included sales to the Leasing Group of $1,164.4 million with a deferred profit of $259.6 million, representing 8,760 railcars. Sales to the Leasing Group and related profits are included in the operating results of the Rail Group but are eliminated in consolidation. There were no railcar shipments of leased railcars to third parties during the year ended December 31, 2017. For the years ended December 31, 2016 and 2015, Rail Group revenues included sales of leased railcars to third parties of $8.1 million and $260.5 million, respectively. In 2017, the Leasing Group purchased 42.1% of our railcar production compared to 34.5% in 2016 and 25.5% in 2015.

Construction Products Group

	Year Ended December 31,			Percent Change	
	2017	2016	2015	2017 versus 2016	2016 versus 2015
		($ in millions)			
Revenues:					
Highway products	**$ 245.8**	$ 271.3	$ 277.9	**(9.4)%**	(2.4)%
Construction aggregates	**204.9**	213.4	192.0	**(4.0)**	11.1
Other	**53.9**	38.5	62.7	**40.0**	(38.6)
Total revenues	**504.6**	523.2	532.6	**(3.6)**	(1.8)
Operating costs:					
Cost of revenues	**360.9**	378.6	407.4	**(4.7)**	(7.1)
Selling, engineering, and administrative costs	**78.8**	73.7	81.0	**6.9**	(9.0)
Property disposition gains	**(1.5)**	(1.7)	(10.3)		
Operating profit	**$ 66.4**	$ 72.6	$ 54.5	**(8.5)**	33.2
Operating profit margin	**13.2%**	13.9%	10.2%		

Revenues and cost of revenues decreased by 3.6% and 4.7%, respectively, for the year ended December 31, 2017, when compared to the same period in 2016. The decreases in revenues and cost of revenues resulted primarily from lower volumes in our highway products and construction aggregates businesses, partially offset by higher volumes in our other businesses, primarily as a result of our trench shoring products acquisition. Selling, engineering, and administrative costs increased by 6.9% for the year ended December 31, 2017 compared to the same period in 2016 primarily due to increased legal and compensation related expenses.

Revenues and cost of revenues decreased by 1.8% and 7.1%, respectively, for the year ended December 31, 2016, when compared to the same period in 2015. The decrease in revenues resulted primarily from lower volumes in our other businesses including lost revenues from the sale of our galvanizing business in June 2015, partially offset by higher volumes in our construction aggregates business. The decrease in cost of revenues of 7.1% resulted from lower volumes in our other businesses including lower volumes from the sale of the galvanizing business and lower costs in our highway products business from improved manufacturing efficiencies partially offset by higher volumes in our construction aggregates business. Selling, engineering, and administrative costs decreased by 9.0%, for the year ended December 31, 2016 compared to the same period in 2015. The decrease for the year ended December 31, 2016 was primarily due to lower compensation costs, partially offset by higher legal expenses. The property disposition gains for the year ended December 31, 2015 primarily related to the sale of assets of our galvanizing business which included six facilities in Texas, Mississippi, and Louisiana.

Inland Barge Group

	Year Ended December 31,			Percent Change	
	2017	2016	2015	2017 versus 2016	2016 versus 2015
		($ in millions)			
Revenues	**$ 157.9**	$ 403.1	$ 652.9	**(60.8)%**	(38.3)%
Operating costs:					
Cost of revenues	**140.2**	344.3	518.3	**(59.3)**	(33.6)
Selling, engineering, and administrative costs	**11.3**	13.5	18.0	**(16.3)**	(25.0)
Property disposition gains	**—**	—	(0.4)		
Operating profit	**$ 6.4**	$ 45.3	$ 117.0	**(85.9)**	(61.3)
Operating profit margin	**4.1%**	11.2%	17.9%		

Revenues and cost of revenues decreased for the year ended December 31, 2017 by 60.8% and 59.3%, respectively, compared to the same period in 2016 primarily from lower barge deliveries. Selling, engineering, and administrative costs decreased for the year ended December 31, 2017 compared to the same period in 2016 due to lower compensation costs.

Revenues decreased for the year ended December 31, 2016 by 38.3% compared to the same period in 2015 primarily due to lower barge deliveries and product mix changes. Cost of revenues decreased by 33.6% for the year ended December 31, 2016, when compared to the same period in 2015 due to lower volumes and product mix changes. Selling, engineering, and administrative costs decreased for the year ended December 31, 2016 compared to the same period in 2015 due to lower compensation costs.

As of December 31, 2017, the backlog for the Inland Barge Group was $98.2 million compared to $120.0 million as of December 31, 2016. Substantially all our Inland Barge backlog is expected to be delivered during the year ending December 31, 2018.

Energy Equipment Group

	Year Ended December 31,			Percent Change	
	2017	2016	2015	2017 versus 2016	2016 versus 2015
		($ in millions)			
Revenues:					
Wind towers and utility structures	**$ 652.1**	$ 641.1	$ 611.8	**1.7%**	4.8%
Other	**322.8**	371.6	501.9	**(13.1)**	(26.0)
Total revenues	**974.9**	1,012.7	1,113.7	**(3.7)**	(9.1)
Operating costs:					
Cost of revenues	**796.5**	806.9	879.8	**(1.3)**	(8.3)
Selling, engineering, and administrative costs	**77.5**	72.7	83.0	**6.6**	(12.4)
Operating profit	**$ 100.9**	$ 133.1	$ 150.9	**(24.2)**	(11.8)
Operating profit margin	**10.3%**	13.1%	13.5%		

Revenues for the year ended December 31, 2017 decreased by 3.7% compared to the same period in 2016. Revenues from our wind towers and utility structures product lines increased by 1.7% for the year ended December 31, 2017 driven primarily by improved pricing in our utility structures product line, partially offset by lower shipping volumes and pricing in our wind towers product line. Revenues from other product lines for the year ended December 31, 2017 decreased by 13.1% when compared to 2016 as a result of decreased shipping volumes. Other revenues include results primarily from our storage and distribution containers and tank heads product lines. Cost of revenues decreased by 1.3% for the year ended December 31, 2017 compared to 2016, due to lower volumes in our wind tower and other product lines. Selling, engineering, and administrative costs increased by 6.6% for the year ended December 31, 2017 primarily due to increased bad debt expense related to a single customer and increased compensation related expenses.

Revenues for the year ended December 31, 2016 decreased by 9.1% compared to the same period in 2015. Revenues from our wind towers and utility structures product lines increased by 4.8% for the year ended December 31, 2016 primarily due to an increase in structural wind tower volumes. Revenues from other product lines for the year ended December 31, 2016 decreased by 26.0% when compared to 2015 primarily as a result of decreases in shipment volumes. Other revenues include results primarily from our storage and distribution containers and tank heads product lines. Similarly, cost of revenues decreased by 8.3% for the year ended December 31, 2016 compared to 2015 due to lower volumes in our utility structures and other product lines, partially offset by increased volumes in our structural wind towers business. Selling, engineering, and administrative costs decreased by 12.4% for the year ended December 31, 2016, resulting primarily from lower professional service expenses and decreased compensation expenses.

As of December 31, 2017, the backlog for structural wind towers was $780.8 million compared to $1,148.4 million as of December 31, 2016. Approximately 33% of our structural wind towers backlog is expected to be delivered during the year ending December 31, 2018 with the remainder to be delivered through 2020. The Company does not report backlog from its utility structures business because certain contracts contain partial order cancellation provisions.

Railcar Leasing and Management Services Group

	Year Ended December 31,			Percent Change	
	2017	2016	2015	2017 versus 2016	2016 versus 2015
		($ in millions)			
Revenues:					
Leasing and management	**$ 743.6**	$ 700.9	$ 699.9	**6.1%**	**0.1%**
Sale of railcars owned one year or less at the time of sale	**99.6**	126.1	404.9		
Total revenues	**$ 843.2**	$ 827.0	$ 1,104.8	**2.0**	**(25.1)**
Operating profit:					
Leasing and management	**$ 341.3**	$ 312.5	$ 331.1	**9.2**	**(5.6)**
Railcar sales:					
Railcars owned one year or less at the time of sale	**19.7**	34.1	109.0		
Railcars owned more than one year at the time of sale	**83.5**	13.5	166.1		
Total operating profit	**$ 444.5**	$ 360.1	$ 606.2	**23.4**	**(40.6)**
Operating profit margin:					
Leasing and management	**45.9%**	44.6%	47.3%		
Railcar sales	*	*	*		
Total operating profit margin	**52.7%**	43.5%	54.9%		
Selected expense information[1]:					
Depreciation	**$ 172.3**	$ 156.2	$ 142.3	**10.3**	**9.8**
Maintenance and compliance	**$ 96.4**	$ 104.3	$ 97.3	**(7.6)**	**7.2**
Rent	**$ 39.9**	$ 39.3	$ 41.6	**1.5**	**(5.5)**
Interest	**$ 125.8**	$ 125.2	$ 138.8	**0.5**	**(9.8)**

* Not meaningful

[1] Depreciation, maintenance and compliance, 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.

Total revenues increased by 2.0% for the year ended December 31, 2017 compared to 2016 primarily due to growth in leasing and management revenues, partially offset by a lower volume of sales of leased railcars owned one year or less. Leasing and management revenues increased 6.1% due to growth in the lease fleet, higher asset management advisory fees, and a cancellation fee received in October 2017, partially offset by the effect of lower average rental rates.

Total revenues decreased by 25.1% for the year ended December 31, 2016 compared to 2015 primarily due to a lower volume of railcar sales owned one year or less. Leasing and management revenues were substantially unchanged with revenues associated with growth in the lease fleet offset by the effect of lower average rental rates.

During the year ended December 31, 2017, 2016, and 2015 the Leasing Group received proceeds from the sale of leased railcars as follows:

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Leasing Group:			
Railcars owned one year or less at the time of sale	**$ 99.6**	$ 126.1	$ 404.9
Railcars owned more than one year at the time of sale	**360.7**	37.7	514.6
Rail Group	**—**	8.1	260.5
	$ 460.3	$ 171.9	$ 1,180.0

Operating profit increased by 23.4% for the year ended December 31, 2017 compared to 2016 primarily due to a higher volume of sales of leased railcars. Leasing and management operating profit for the year ended December 31, 2017 increased by 9.2% due to growth in the lease fleet, higher management advisory fees, and lower fleet maintenance and compliance expense. See Note 6 of the Notes to the Consolidated Financial Statements for a description of lease arrangements with the independent owner trusts.

Operating profit decreased by 40.6% for the year ended December 31, 2016 compared to 2015 primarily due to a lower volume of railcar sales. Leasing and management operating profit for the year ended December 31, 2016 decreased by 5.6% due to lower average rental rates and higher maintenance and compliance expense associated with routine regulatory testing partially offset by operating profit associated with net fleet additions. In February 2015, the Leasing Group purchased all of the railcars which previously had been leased to the Company from one of the independent owner trusts resulting in lower rent expense for the year ended December 31, 2016 when compared to 2015. Interest expense decreased primarily due to the repayment in full of certain Leasing Group debt in May 2015.

The Leasing Group generally uses its non-recourse warehouse loan facility or cash to provide initial funding for a portion of the purchase price of the railcars. After initial funding, the Leasing Group may obtain 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 Investing and Financing Activities*.

Information regarding the Leasing Group's lease fleet, managed or owned through its wholly-owned and partially-owned subsidiaries, follows:

	December 31, 2017	December 31, 2016	December 31, 2015
Number of railcars:			
Wholly-owned	63,915	60,440	52,030
Partially-owned	24,675	24,670	24,735
	88,590	85,110	76,765
Managed (third-party owned)	25,460	18,730	18,045
	114,050	103,840	94,810
Company-owned railcars:			
Average age in years	8.7	8.2	8.1
Average remaining lease term in years	3.4	3.5	3.2
Fleet utilization	96.8%	97.6%	97.7%

All Other

	Year Ended December 31,			Percent Change	
	2017	2016	2015	2017 versus 2016	2016 versus 2015
		($ in millions)			
Revenues	**$ 97.9**	$ 92.2	$ 112.3	**6.2%**	(17.9)%
Operating costs:					
Cost of revenues	**109.8**	103.1	114.0	**6.5**	(9.6)
Selling, engineering, and administrative costs	**8.4**	7.5	8.5	**12.0**	(11.8)
Property disposition (gains)/losses	**(1.0)**	0.5	(2.0)		
Operating loss	**$ (19.3)**	$ (18.9)	$ (8.2)		

Revenues and cost of revenues increased for the year ended December 31, 2017 compared to 2016 primarily due to an increase in services provided by our facilities maintenance operations.

Revenues decreased for the year ended December 31, 2016 compared to 2015 primarily due to a decrease in internal shipments from our transportation company. Cost of revenues decreased for the year ended December 31, 2016 compared to 2015 primarily as a result of lower costs from our transportation company partially offset by higher costs related to non-operating facilities.

Corporate

	Year Ended December 31,			Percent Change	
	2017	2016	2015	2017 versus 2016	2016 versus 2015
		($ in millions)			
Operating costs	**$ 167.3**	$ 131.0	$ 152.6	**27.7%**	(14.2)%

The increase in operating costs for the year ended December 31, 2017 compared to 2016 is primarily due to higher consulting and professional fees including costs related to the Company's proposed spin-off totaling $14.2 million and higher litigation-related expenses and performance-related compensation costs.

The decrease in operating costs for the year ended December 31, 2016 compared to 2015 is primarily due to lower compensation and legal and litigation-related expenses.

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,		
	2017	2016	2015
		(in millions)	
Total cash provided by (required by):			
Operating activities	**$ 761.6**	$ 1,090.2	$ 939.7
Investing activities	**(472.7)**	(1,022.7)	(511.3)
Financing activities	**(73.7)**	(290.1)	(530.3)
Net increase (decrease) in cash and cash equivalents	**$ 215.2**	$ (222.6)	$ (101.9)

2017 compared with 2016

Operating Activities. Net cash provided by operating activities for the year ended December 31, 2017 was $761.6 million compared to net cash provided by operating activities of $1,090.2 million for the year ended December 31, 2016. Cash flow provided by operating activities decreased primarily due to operating profit.

Receivables at December 31, 2017 decreased by $88.1 million or 18.3% from December 31, 2016 primarily due to a lower income tax receivable. Raw materials inventory at December 31, 2017 was substantially unchanged since December 31, 2016 while work in process inventory decreased by $10.5 million or 5.5% primarily in our Rail Group. Finished goods inventory decreased by $8.9 million or 5.1% since December 31, 2016 due to higher inventory balances carried at the previous year end for scheduled shipments in early 2017 in our Energy Equipment Group. Accounts payable increased by $19.3 million, while accrued liabilities increased by $13.8 million from December 31, 2016 primarily due to higher compensation accruals. We continually review reserves related to collectibility as well as the adequacy of lower of cost or net realizable value with regard to accounts receivable and inventory.

Investing Activities. Net cash required by investing activities for the year ended December 31, 2017 was $472.7 million compared to $1,022.7 million for the year ended December 31, 2016. Capital expenditures for the year ended December 31, 2017 were $712.7 million, which included $688.2 million for investment in the lease fleet less $79.9 million for the cost of sold lease fleet railcars owned one year or less. This compares to $933.4 million of capital expenditures for the same period last year, which included $891.1 million for additions to the lease fleet less $92.0 million for the cost of sold lease fleet railcars owned one year or less. Proceeds from the sale of property, plant, and equipment and other assets totaled $372.0 million for the year ended December 31, 2017, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $360.7 million. This compares to $53.7 million for the same period in 2016, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $37.7 million. Full-year manufacturing/corporate capital expenditures for 2018 are projected to range between $100.0 million and $150.0 million. For 2018, after taking into account deferred profit on new railcar additions and planned modifications to the lease fleet, we anticipate a net investment of approximately $500.0 million in our lease fleet, after taking into account the proceeds from sales of leased railcars. Short-term marketable securities increased by $84.8 million for the year ended December 31, 2017. Net cash required related to acquisitions amounted to $47.5 million for the year ended December 31, 2017. There was no divestiture activity for the year ended December 31, 2017. There was no acquisition or divestiture activity for the year ended December 31, 2016.

Financing Activities. Net cash required by financing activities during the year ended December 31, 2017 was $73.7 million compared to $290.1 million of net cash required by financing activities for the same period in 2016. During the year ended

December 31, 2017, we borrowed $534.1 million, net of debt issuance costs, primarily from the issuance by TRL 2017 of promissory notes and the issuance by TRIP Master Funding of secured railcar equipment notes. Additionally we retired $375.4 million in debt, primarily consisting of previously-issued TRIP Master Funding secured railcar equipment notes. During the year ended December 31, 2016, we retired $162.5 million in debt as scheduled. 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. Additionally, we may use our cash and committed credit facilities to retire or repurchase the Company's outstanding debt prior to its stated maturity or repurchase shares of its common stock.

2016 compared with 2015

Operating Activities. Net cash provided by operating activities for the year ended December 31, 2016 was $1,090.2 million compared to net cash provided by operating activities of $939.7 million for the same period in 2015. Cash flow provided by operating activities increased primarily due to a higher decrease in inventories and a lower decrease in accrued liabilities for the year ended December 31, 2016 when compared to the prior year as well as a higher provision for deferred taxes and lower net gains on railcar lease fleet sales, partially offset by lower net income for the year ended December 31, 2016.

Receivables at December 31, 2016 increased by $16.0 million or 3.4% from December 31, 2015 primarily due to a higher income tax receivable. Raw materials inventory at December 31, 2016 decreased by $176.1 million or 36.8% since December 31, 2015 primarily attributable to lower levels in our Rail Group from lower production volumes and improved inventory management. At December 31, 2016, work in process inventory decreased by $33.3 million or 14.9% primarily in our Rail Group while finished goods inventory decreased by $67.9 million or 28.1% since December 31, 2015 due to higher inventory balances carried at the previous year end for scheduled shipments in early 2016 in our Rail and Energy Equipment Groups. Accounts payable decreased by $60.7 million as a result of lower inventory levels, while accrued liabilities decreased by $104.9 million from December 31, 2015 due to lower compensation accruals.

Investing Activities. Net cash required by investing activities for the year ended December 31, 2016 was $1,022.7 million compared to $511.3 million for the year ended December 31, 2015. Capital expenditures for the year ended December 31, 2016 were $933.4 million, which included $891.1 million for investment in the lease fleet less $92.0 million for the cost of sold lease fleet railcars owned one year or less. This compares to $1,029.8 million of capital expenditures for the same period in 2015, which included $1,129.7 million for additions to the lease fleet less $295.9 million for the cost of sold lease fleet railcars owned one year or less. Proceeds from the sale of property, plant, and equipment and other assets totaled $53.7 million for the year ended December 31, 2016, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $37.7 million. This compares to $522.8 million for the year ended December 31, 2015, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $514.6 million. Short-term marketable securities for the year ended December 31, 2016, increased $149.8 million. There was no acquisition or divestiture activity for the year ended December 31, 2016. Net cash required related to acquisitions amounted to $46.2 million for the year ended December 31, 2015 while proceeds from business divestitures totaled $51.3 million.

Financing Activities. Net cash required by financing activities during the year ended December 31, 2016 was $290.1 million compared to $530.3 million of net cash required by financing activities for the same period in 2015. During the year ended December 31, 2016, we retired $162.5 million in debt as scheduled. During the year ended December 31, 2015, we retired $587.2 million in debt including $340.0 million for the full repayment of promissory notes related to one of our wholly-owned leasing subsidiaries. We borrowed $242.4 million, net of debt issuance costs, during the year ended December 31, 2015, from our TILC warehouse loan facility. Additionally, we repurchased shares of the Company's stock under a share repurchase program as described further below.

Other Investing and Financing Activities

During the year ended December 31, 2017, 2016, and 2015 the Company received proceeds from the sale of leased railcars as follows:

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Leasing Group:			
Railcars owned one year or less at the time of sale	**$ 99.6**	$ 126.1	$ 404.9
Railcars owned more than one year at the time of sale	**360.7**	37.7	514.6
Rail Group	**—**	8.1	260.5
	$ 460.3	$ 171.9	$ 1,180.0

The $1.0 billion TILC warehouse loan facility, established to finance railcars owned by TILC, had $150.7 million in outstanding borrowings as of December 31, 2017. Under the facility, $849.3 million was unused and available as of December 31, 2017 based

on the amount of warehouse-eligible, unpledged equipment. The warehouse loan facility is a non-recourse obligation that expires in April 2018 and is 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 3.23% at December 31, 2017. Amounts outstanding at maturity, absent renewal, are payable under the renewed facility in April 2019.

In May 2017, Trinity Rail Leasing 2017, LLC, a Delaware limited liability company ("TRL 2017") and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $302.4 million of promissory notes (the "2017 Promissory Notes") due May 15, 2024, of which $293.6 million was outstanding as of December 31, 2017. The 2017 Promissory Notes are obligations of TRL 2017 and are non-recourse to Trinity. The 2017 Promissory Notes bear interest at Libor plus a margin for an all-in interest rate of 3.00% as of December 31, 2017, payable monthly. The 2017 Promissory Notes are secured by a portfolio of railcars and operating leases thereon, certain cash reserves, and other assets acquired and owned by TRL 2017.

In August 2017, TRIP Master Funding issued $237.9 million in aggregate principle amount of Series 2017-1 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 August 2047. The proceeds from the issuance were used primarily to retire the TRIP Master Funding Secured Railcar Equipment Notes Class A-1a and Class A-1b notes as well as the TRIP Master Funding Series 2014-1 Secured Railcar Equipment Notes Class A-1 notes in full. The TRIP Master Funding Series 2017-1 Secured Railcar Equipment Notes consist of two classes with the Class A-1 notes bearing interest at 2.71% and the Class A-2 notes bearing interest at 3.74%. The TRIP Master Funding Series 2017-1 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, 2017, there were $97.3 million and $134.9 million of Class A-1 and Class A-2 notes outstanding, respectively.

In May 2017, the Company declared an increase in its quarterly dividend from $0.11 to $0.13 per share, reflecting an 18% increase.

As of December 31, 2017, we had letters of credit issued under our $600 million revolving credit facility in an aggregate principal amount of $78.9 million, leaving $521.1 million available for borrowing. Other than these letters of credit, there were no borrowings under our revolving credit facility as of December 31, 2017, or for the two year period then ended. Borrowings under the credit facility bear interest at a defined index rate plus a margin and are guaranteed by certain 100%-owned subsidiaries of the Company.

In December 2017, the Company’s Board of Directors authorized a new $500 million share repurchase program effective January 1, 2018 through December 31, 2019. The new program replaced the previous program which expired on December 31, 2017. Under the previous program, 2,825,400 shares were repurchased during the year ended December 31, 2017, at a cost of $85.4 million. Certain shares of stock repurchased during December 2017, totaling $6.0 million, were cash settled in January 2018 in accordance with normal settlement practices.

We continue to experience below normal demand levels for many of the Company’s products and services. The oversupply of railcars and barges in the North American market has limited new order levels for these businesses. We continue to assess demand for our products and services and take steps to align our manufacturing capacity appropriately.

Equity Investment

See Note 5 of the Notes to the Consolidated Financial Statements for information about the Company's investment in partially-owned leasing 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 debt, 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. As of December 31, 2017, the Company had unrestricted cash, cash equivalents, and short-term marketable securities balances of $1,098.1 million, and $521.1 million available under its revolving credit facility. Under the TILC warehouse facility, $849.3 million was unused and available as of December 31, 2017 based on the amount of warehouse-eligible, unpledged equipment. 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

As of December 31, 2017, we had letters of credit issued under our revolving credit facility in an aggregate principal amount of $78.9 million, of which $78.6 million is expected to expire in 2018 and the remainder in 2019. The majority of our letters of credit obligations support the Company’s various insurance programs and generally renew by their terms each year. See Note 11 of the Notes to the Consolidated Financial Statements for information about our corporate revolving credit facility.

As described further in Note 18 of the Notes to the Consolidated Financial Statements, the Company posted a supersedeas bond in the amount of $686.0 million related to its Highway Products litigation. The Company obtained the supersedeas bond on an unsecured basis for an annual premium of $3.7 million. On January 29, 2018, the Company was released from its obligation to continue to maintain the supersedeas bond. Additionally, at December 31, 2017 the Company has outstanding surety bonds in the amount of $6.7 million issued to support our operations and, as required under the terms of certain customer agreements, to guarantee our performance.

See Note 6 of the Notes to the Consolidated Financial Statements for information about off balance sheet arrangements with regard to our Leasing Group.

Derivative Instruments

We may 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 may 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 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 the Consolidated Financial Statements for discussion of how the Company valued its commodity hedges and interest rate swaps at December 31, 2017.

Interest rate hedges

			Included in accompanying balance sheet at December 31, 2017		
	Notional Amount	Interest Rate[1]	Asset	AOCL – loss/ (income)	Noncontrolling Interest
	(in millions, except %)				
Expired hedges:					
2006 secured railcar equipment notes	$ 200.0	4.87%	$ —	$ (0.4)	$ —
TRIP Holdings warehouse loan	$ 788.5	3.60%	$ —	$ 4.0	$ 5.4
TRIP Master Funding secured railcar equipment notes	$ 34.8	2.62%	$ —	$ 0.3	$ 0.5
Open hedge:					
2017 promissory notes	$ 176.1	3.00%	$ 1.6	$ 0.8	$ —

(1) Weighted average fixed interest rate, except for 2017 promissory notes. Interest rate cap for 2017 promissory notes.

	Effect on interest expense-increase/(decrease)			
	Year Ended December 31,			Expected effect during next twelve months[1]
	2017	2016	2015	
	(in millions)			
2006 secured railcar equipment notes	$ (0.3)	$ (0.4)	$ (0.3)	$ (0.1)
Promissory notes	$ —	$ —	$ 6.5	$ —
TRIP Holdings warehouse loan	$ 4.5	$ 4.8	$ 4.9	$ 2.2
TRIP Master Funding secured railcar equipment notes	$ 0.4	$ 0.9	$ 1.3	$ 0.2

(1) Based on the fair value of open hedges as of December 31, 2017

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.

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 were 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 was being amortized over the term of the related debt. These derivative instruments were fully amortized in May 2015. The effect on interest expense is due to amortization of the AOCL balance. In 2008, we entered into an interest rate swap derivative instrument to fix the variable Libor component of the Promissory Notes. This derivative instrument expired in May 2015 and was being accounted for as a cash flow hedge. The effect on interest expense is primarily from a result of 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 $2.2 million of additional interest expense expected to be recognized during the twelve months following December 31, 2017.

In July 2011, TRIP Holdings' wholly-owned subsidiary, TRIP Master Funding, entered into an interest rate swap derivative instrument, expiring in 2021, with an initial 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 TRIP Master Funding interest rate hedge was terminated in August 2017 in connection with the refinancing of the related indebtedness. The effect on interest expense is primarily a result of monthly interest settlements. The balance included in AOCL at the date the hedge was terminated is being amortized over the life of the terminated hedge with $0.2 million of additional interest expense expected to be recognized during the twelve months following December 31, 2017.

In May 2017, TRL 2017 purchased an interest rate cap derivative, which qualified as a cash flow hedge, to limit the Libor component of the interest rate on the 2017 promissory notes to a maximum rate of 3%. The effect on interest expense is primarily the result of amortization of the cost of the derivative and is not expected to be significant during the next twelve months.

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

Other Derivatives

Natural gas and diesel fuel

We maintain a program to mitigate the impact of fluctuations in the price of natural gas and diesel fuel. 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, 2017 for these instruments was not significant. The effect of these hedges was to increase cost of revenues for the years ended December 31, 2017 and 2015 by $0.1 million and $1.1 million, respectively, and to decrease cost of revenues for the year ended December 31, 2016 by $0.4 million.

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.

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 $2.0 million and $17.1 million as of December 31, 2017 and 2016, respectively. The change was primarily due to a higher return on assets partially offset by a decrease in the obligation discount rate assumption. 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 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 our facilities.

Employer contributions for the year ending December 31, 2018 are expected to be $18.4 million for the defined benefit plans compared to $2.5 million contributed during 2017. Employer contributions to the 401(k) plans and the Supplemental Profit Sharing Plan for the year ending December 31, 2018 are expected to be $15.2 million compared to $15.5 million contributed during 2017. Employer contributions for the year ending December 31, 2018 are expected to be $2.0 million for the multiemployer plan compared to $1.9 million contributed during 2017.

Contractual Obligation and Commercial Commitments

As of December 31, 2017, 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[1]:					
Debt:					
Parent and wholly-owned subsidiaries, excluding unamortized debt discount	$1,885.8	$ 63.5	$ 272.2	$ 158.0	$1,392.1
Partially-owned subsidiaries	1,365.3	42.9	97.9	120.5	1,104.0
Capital lease obligations	28.3	28.3	—	—	—
Interest	620.4	140.2	232.8	187.2	60.2
	3,899.8	274.9	602.9	465.7	2,556.3
Operating leases:					
Leasing Group	278.4	41.2	72.1	65.5	99.6
Other	28.9	10.5	12.5	2.9	3.0
Obligations for purchase of goods and services[2]	724.0	661.5	43.1	19.4	—
Other	5.2	4.7	0.3	0.2	—
Total	$4,936.3	$ 992.8	$ 730.9	$ 553.7	$2,658.9

[1] Includes interest on the Company's Convertible Subordinated Notes through June 1, 2018. See Note 11 of the Notes to the Consolidated Financial Statements.

[2] Includes $602.8 million in purchase obligations for raw materials and components primarily by the Rail and Energy Equipment Groups.

As of December 31, 2017 and 2016, we had $12.4 million and $37.1 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.

As further discussed in Note 6 of the Notes to the Consolidated Financial Statements, the Leasing Group leases railcars from certain independent owner Trusts under operating leases with an option to purchase the railcars at a predetermined fixed price in 2019. At December 31, 2017, operating lease obligations to the Trusts totaled $228.1 million. In January 2018, the Leasing Group provided the Trusts with an irrevocable twelve-month notice of intent to exercise their option to purchase all of the Trusts' railcars for $223.6 million.

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 our inventories at the lower of cost or net realizable value in accordance with Accounting Standard Update 2015-11 ("ASU 2015-11") which became effective for public companies during interim and annual reporting periods beginning after December 15, 2016. The adoption of this standard had no impact on any periods presented herein. 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 quantitative 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. Based on the Company's annual goodwill impairment test, performed at the reporting unit level as of December 31, 2017, the Company concluded that no impairment charges were determined to be necessary and that none of the reporting units evaluated was at risk of failing the first step of the goodwill impairment test. A reporting unit is considered to be at risk if its estimated fair value does not exceed the carrying value of its net assets by 10% or more. 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 various express, limited product warranties that generally range 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 asserted by customers. Second, based on historical, accepted 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. See Note 10 of the Notes to the Consolidated Financial Statements.

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 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. See Note 18 of the Notes to the Consolidated Financial Statements for further explanation.

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 recourse. However, estimates of future response costs are necessarily imprecise. Accordingly, there can be no assurance that we will not become involved in future environmental 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 of 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, 2017, the Company had $18.9 million of federal consolidated net operating loss carryforwards and $7.8 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 that we have estimated may not be realizable. We believe 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 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.

The Tax Cuts and Jobs Act (the "Act”) was enacted on December 22, 2017. The Act reduces the U.S. federal corporate income tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign-sourced earnings. As of December 31, 2017, we have completed an initial assessment of the tax effects of the Act, and have made a reasonable estimate of the effects on our existing deferred tax balances. We remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to impact future tax returns. However, we are still analyzing certain aspects of the Act and refining our calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts resulting in adjustments in future periods in 2018. The impact of the Act may differ from our estimate due to changes in the regulations, rulings, guidance, and interpretations issued by the IRS and the Financial Accounting Standards Board ("FASB") as well as interpretations and assumptions made by the Company. For the items for which we were able to determine a reasonable estimate, we recognized a provisional net benefit of $476.2 million for the year ended December 31, 2017, which is included as a component of income tax expense.

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 that 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,		
	2017	**2016**	**2015**
Assumptions used to determine benefit obligations at the annual measurement date were:			
Obligation discount rate	**3.79%**	4.34%	4.79%
Compensation increase rate	**4.00%**	4.00%	4.00%
Assumptions used to determine net periodic benefit costs were:			
Obligation discount rate	**4.34%**	4.79%	4.33%
Long-term rate of return on plan assets	**6.25%**	6.50%	7.00%
Compensation increase rate	**4.00%**	4.00%	4.00%

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, estimates were developed 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, 2017 and on the projected benefit obligations at December 31, 2017 is summarized as follows:

	Effect on Net Retirement Cost for the Year Ended December 31, 2017	**Effect on Projected Benefit Obligations at December 31, 2017**
	Increase/(decrease) (in millions)	
Assumptions:		
Obligation discount rate:		
Increase of 50 basis points	$ (0.6)	$ (29.7)
Decrease of 50 basis points	$ 0.6	$ 33.0
Long-term rate of return on plan assets:		
Increase of 50 basis points	$ (2.2)	$ —
Decrease of 50 basis points	$ 2.2	$ —

Recent Accounting Pronouncements

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

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 similar expressions to identify these forward-looking statements, including whether or not the spin-off occurs. 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 customer demand for our business products and services;
- the cyclical nature of the 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, sales of leased railcars, 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 costs incurred to align manufacturing capacity with demand and the extent of its utilization;
- the operating leverage and efficiencies that can be achieved by our manufacturing businesses;
- 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;
- changes in our stock price resulting in a dilutive impact on earnings per share related to conversion features in our financing instruments;
- 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;
- 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;
- actions by the executive and legislative branches of the U.S. government relative to federal government budgeting, taxation policies, government expenditures, U.S. borrowing/debt ceiling limits, and trade policies;
- the use of social or digital media to disseminate false, misleading and/or unreliable or inaccurate information;
- the inability to sufficiently protect our intellectual property rights;
- if the proposed spin-off transaction is not completed;
- if the Company does not realize some or all of the benefits expected to result from the spin-off, or if such benefits are delayed;
- the Company's ongoing businesses may be adversely affected and subject to certain risks and consequences as a result of pursuing the spin-off transaction;
- if the proposed spin-off transaction is completed, the trading price of the Company's common stock will decline as it will no longer reflect the value of the infrastructure-related businesses;
- if the distribution of shares of the Infrastructure Company, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, the Company's stockholders and the Company could be subject to significant tax liability; and
- if the spin-off transaction does not comply with state and federal fraudulent conveyance laws and legal dividend requirements.

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. For a discussion of risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see Item 1A, "Risk Factors" included elsewhere herein.

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 13.5% of our total debt as of December 31, 2017. If interest rates average one percentage point more in fiscal year 2018 than they did during 2017, our interest expense would increase by $2.7 million, after considering the effects of interest rate hedges. In comparison, at December 31, 2016, we estimated that if interest rates averaged one percentage point more in fiscal year 2017 than they did during 2016, our interest expense would increase by $2.2 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, 2017 and 2016. A one percentage point increase in the interest rate yield would decrease the fair value of the fixed rate debt by approximately $197.3 million. A one percentage point decrease in the interest rate yield would increase the fair value of the fixed rate debt by approximately $222.1 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, 2017 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 an asset of $0.3 million at December 31, 2016 and was not significant at December 31, 2017. The effect on the consolidated statement of operations for the year ended December 31, 2017 was an operating expense of $0.1 million, and for the year ended December 31, 2016 was an operating income of $0.4 million. Based on hedge positions at December 31, 2017 we estimate that a hypothetical 10% increase in the price of these commodities would increase the asset and the related operating income by $0.1 million. Similarly, a hypothetical 10% decrease in the price of these commodities would decrease the asset and the related operating income by $0.1 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, 2017 was $248.1 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.

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.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Trinity Industries, Inc. and Subsidiaries (the Company) as of December 31, 2017 and 2016, 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, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, 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) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, 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 22, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 1958.

Dallas, Texas
February 22, 2018

Trinity Industries, Inc. and Subsidiaries
Consolidated Statements of Operations

	Year Ended December 31,		
	2017	**2016**	**2015**
	(in millions, except per share amounts)		
Revenues:			
Manufacturing	**$ 2,820.6**	$ 3,763.4	$ 5,301.1
Leasing	**842.2**	824.9	1,091.6
	3,662.8	4,588.3	6,392.7
Operating costs:			
Cost of revenues:			
Manufacturing	**2,313.2**	3,019.6	4,043.9
Leasing	**432.3**	436.5	612.3
	2,745.5	3,456.1	4,656.2
Selling, engineering, and administrative expenses:			
Manufacturing	**237.0**	231.0	271.4
Leasing	**50.5**	45.4	52.4
Other	**167.3**	131.0	152.6
	454.8	407.4	476.4
Gains on disposition of property:			
Net gains on railcar lease fleet sales owned more than one year at the time of sale	**83.5**	13.5	166.1
Other	**3.1**	3.9	12.7
	86.6	17.4	178.8
Total operating profit	**549.1**	742.2	1,438.9
Other (income) expense:			
Interest income	**(10.6)**	(5.4)	(2.2)
Interest expense	**184.0**	181.9	194.7
Other, net	**3.7**	(1.1)	(5.6)
	177.1	175.4	186.9
Income before income taxes	**372.0**	566.8	1,252.0
Provision (benefit) for income taxes:			
Current	**(4.2)**	(119.3)	309.4
Deferred	**(337.4)**	321.4	116.6
	(341.6)	202.1	426.0
Net income	**713.6**	364.7	826.0
Net income attributable to noncontrolling interest	**11.1**	21.1	29.5
Net income attributable to Trinity Industries, Inc.	**$ 702.5**	$ 343.6	$ 796.5
Net income attributable to Trinity Industries, Inc. per common share:			
Basic	**$ 4.62**	$ 2.25	$ 5.14
Diluted	**$ 4.52**	$ 2.25	$ 5.08
Weighted average number of shares outstanding:			
Basic	**148.6**	148.4	150.2
Diluted	**152.0**	148.6	152.2
Dividends declared per common share	**$ 0.50**	$ 0.44	$ 0.43

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2017	**2016**	**2015**
		(in millions)	
Net income	**$ 713.6**	$ 364.7	$ 826.0
Other comprehensive income (loss):			
Derivative financial instruments:			
Unrealized losses arising during the period, net of tax benefit of $0.2, $-, and $0.2	**(0.9)**	(0.3)	(0.7)
Reclassification adjustments for losses included in net income, net of tax benefit of $0.7, $0.7, and $3.4	**3.9**	4.6	9.0
Currency translation adjustment	**1.3**	0.8	(6.0)
Defined benefit plans:			
Unrealized gains (losses) arising during the period, net of tax expense (benefit) of $1.6, $(2.0), and $(3.4)	**3.6**	(3.3)	(6.0)
Amortization of net actuarial losses, net of tax expense of $1.5, $1.9, and $1.8	**3.4**	3.2	3.2
	11.3	5.0	(0.5)
Comprehensive income	**724.9**	369.7	825.5
Less: comprehensive income attributable to noncontrolling interest	**13.7**	24.2	32.5
Comprehensive income attributable to Trinity Industries, Inc.	**$ 711.2**	$ 345.5	$ 793.0

See accompanying notes to consolidated financial statements.

Trinity Industries, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2017	December 31, 2016
	(in millions)	
ASSETS		
Cash and cash equivalents	**$ 778.6**	$ 563.4
Short-term marketable securities	**319.5**	234.7
Receivables, net of allowance for doubtful accounts of $28.7 and $11.8	**369.7**	378.7
Income tax receivable	**29.0**	102.1
Inventories:		
Raw materials and supplies	**296.7**	302.5
Work in process	**179.0**	189.5
Finished goods	**164.9**	173.8
	640.6	665.8
Restricted cash, including partially-owned subsidiaries of $62.9 and $78.4	**195.2**	178.2
Property, plant, and equipment, at cost, including partially-owned subsidiaries of $1,985.9 and $1,979.8	**8,385.2**	7,981.0
Less accumulated depreciation, including partially-owned subsidiaries of $418.0 and $364.9	**(2,250.5)**	(2,014.2)
	6,134.7	5,966.8
Goodwill	**780.3**	754.1
Other assets	**295.6**	281.5
	$ 9,543.2	$ 9,125.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	**$ 175.4**	$ 156.1
Accrued liabilities	**440.0**	426.1
Debt:		
Recourse, net of unamortized discount of $8.5 and $27.1	**866.8**	850.6
Non-recourse:		
Wholly-owned subsidiaries	**1,024.8**	840.0
Partially-owned subsidiaries	**1,350.8**	1,366.0
	3,242.4	3,056.6
Deferred income	**20.5**	23.5
Deferred income taxes	**743.2**	1,072.9
Other liabilities	**63.7**	79.0
	4,685.2	4,814.2
Stockholders' equity:		
Preferred stock – 1.5 shares authorized and unissued	**—**	—
Common stock – shares authorized at December 31, 2017 - 400.0; at December 31, 2016 - 400.0; shares issued and outstanding at December 31, 2017 – 150.9; at December 31, 2016 – 152.2	**1.6**	1.6
Capital in excess of par value	**482.5**	534.6
Retained earnings	**4,123.4**	3,497.3
Accumulated other comprehensive loss	**(104.8)**	(113.5)
Treasury stock – shares at December 31, 2017 – 0.1; at December 31, 2016 – 0.1	**(1.6)**	(1.5)
	4,501.1	3,918.5
Noncontrolling interest	**356.9**	392.6
	4,858.0	4,311.1
	$ 9,543.2	$ 9,125.3

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Operating activities:			
Net income	$ 713.6	$ 364.7	$ 826.0
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	295.4	283.0	266.4
Stock-based compensation expense	31.1	41.3	61.1
Excess tax benefits from stock-based compensation	—	(1.0)	(13.3)
Provision (benefit) for deferred income taxes	(337.4)	321.4	116.6
Net gains on railcar lease fleet sales owned more than one year at the time of sale	(83.5)	(13.5)	(166.1)
Gains on disposition of property and other assets	(3.1)	(3.9)	(12.7)
Non-cash interest expense	31.8	28.5	30.1
Other	(1.2)	(3.4)	(2.5)
Changes in assets and liabilities:			
(Increase) decrease in receivables	88.1	(16.0)	(0.8)
(Increase) decrease in inventories	32.6	273.3	128.5
(Increase) decrease in restricted cash	—	—	(9.4)
(Increase) decrease in other assets	(21.1)	18.6	(40.9)
Increase (decrease) in accounts payable	19.3	(60.7)	(78.6)
Increase (decrease) in accrued liabilities	13.8	(104.9)	(169.6)
Increase (decrease) in other liabilities	(17.8)	(37.2)	4.9
Net cash provided by operating activities	761.6	1,090.2	939.7
Investing activities:			
(Increase) decrease in short-term marketable securities	(84.8)	(149.8)	(9.9)
Proceeds from railcar lease fleet sales owned more than one year at the time of sale	360.7	37.7	514.6
Proceeds from disposition of property and other assets	11.3	16.0	8.2
Capital expenditures – leasing, net of sold lease fleet railcars owned one year or less with a net cost of $79.9, $92.0, and $295.9	(608.3)	(799.1)	(833.8)
Capital expenditures – manufacturing and other	(104.4)	(134.3)	(196.0)
Acquisitions, net of cash acquired	(47.5)	—	(46.2)
Divestitures	—	—	51.3
Other	0.3	6.8	0.5
Net cash required by investing activities	(472.7)	(1,022.7)	(511.3)
Financing activities:			
Proceeds from issuance of common stock, net	—	—	0.3
Excess tax benefits from stock-based compensation	—	1.0	13.3
Payments to retire debt	(375.4)	(162.5)	(587.2)
Proceeds from issuance of debt	534.1	—	242.4
(Increase) decrease in restricted cash	(17.0)	17.6	48.3
Shares repurchased	(79.4)	(34.7)	(115.0)
Dividends paid to common shareholders	(72.6)	(66.7)	(64.9)
Purchase of shares to satisfy employee tax on vested stock	(14.4)	(16.3)	(27.5)
Distributions to noncontrolling interest	(48.7)	(26.4)	(39.2)
Other	(0.3)	(2.1)	(0.8)
Net cash required by financing activities	(73.7)	(290.1)	(530.3)
Net increase (decrease) in cash and cash equivalents	215.2	(222.6)	(101.9)
Cash and cash equivalents at beginning of period	563.4	786.0	887.9
Cash and cash equivalents at end of period	$ 778.6	$ 563.4	$ 786.0

Interest paid for the years ended December 31, 2017, 2016, and 2015 was $151.2 million, $151.0 million, and $164.3 million, respectively. Income tax payments (refunds) for the years ended December 31, 2017, 2016, and 2015 were $(77.8) million, $(57.9) million, and $326.8 million, respectively.

Non-cash investing activity: The Company issued 459,603 shares of its common stock valued at $14.7 million in connection with a 2017 acquisition. See Note 2 Acquisitions and Divestitures.

See accompanying notes to consolidated financial statements.

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

	Common Stock					Treasury Stock				
	Shares	$0.01 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, 2014	155.7	$155.7	$ 463.2	$ 2,489.9	$ (111.9)	(0.1)	$ (1.0)	$ 2,995.9	$ 401.5	$ 3,397.4
Net income	—	—	—	796.5	—	—	—	796.5	29.5	826.0
Other comprehensive income (loss)	—	—	—	—	(3.5)	—	—	(3.5)	3.0	(0.5)
Cash dividends on common stock	—	—	—	(66.1)	—	—	—	(66.1)	—	(66.1)
Restricted shares, net	2.1	—	64.4	—	—	(1.1)	(30.8)	33.6	—	33.6
Shares repurchased	—	—	—	—	—	(3.9)	(115.0)	(115.0)	—	(115.0)
Stock options exercised	0.1	—	0.4	—	—	—	—	0.4	—	0.4
Excess tax benefits from stock-based compensation	—	—	12.1	—	—	—	—	12.1	—	12.1
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(39.2)	(39.2)
Retirement of treasury stock	(5.0)	—	(145.8)	—	—	5.0	145.8	—	—	—
Change in par value of common stock	—	(154.2)	154.2	—	—	—	—	—	—	—
Balances at December 31, 2015	152.9	$ 1.5	$ 548.5	$ 3,220.3	$ (115.4)	(0.1)	$ (1.0)	$ 3,653.9	$ 394.8	$ 4,048.7
Net income	—	—	—	343.6	—	—	—	343.6	21.1	364.7
Other comprehensive income	—	—	—	—	1.9	—	—	1.9	3.1	5.0
Cash dividends on common stock	—	—	—	(66.6)	—	—	—	(66.6)	—	(66.6)
Restricted shares, net	2.6	0.1	46.2	—	—	(1.2)	(21.3)	25.0	—	25.0
Shares repurchased	—	—	—	—	—	(2.1)	(34.7)	(34.7)	—	(34.7)
Excess net tax deficiency from stock-based compensation	—	—	(4.5)	—	—	—	—	(4.5)	—	(4.5)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(26.4)	(26.4)
Retirement of treasury stock	(3.3)	—	(56.0)	—	—	3.3	56.0	—	—	—
Other	—	—	0.4	—	—	—	(0.5)	(0.1)	—	(0.1)
Balances at December 31, 2016	152.2	$ 1.6	$ 534.6	$ 3,497.3	$ (113.5)	(0.1)	$ (1.5)	$ 3,918.5	$ 392.6	$ 4,311.1
Net income	—	—	—	702.5	—	—	—	702.5	11.1	713.6
Other comprehensive income	—	—	—	—	8.7	—	—	8.7	2.6	11.3
Cash dividends on common stock	—	—	—	(75.8)	—	—	—	(75.8)	—	(75.8)
Restricted shares, net	1.7	—	35.2	—	—	(0.7)	(18.5)	16.7	—	16.7
Shares repurchased	—	—	—	—	—	(2.8)	(85.4)	(85.4)	—	(85.4)
Stock options exercised	—	—	0.2	—	—	—	—	0.2	—	0.2
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(48.7)	(48.7)
Retirement of treasury stock	(3.5)	—	(103.8)	—	—	3.5	103.8	—	—	—
Shares issued for acquisition	0.5	—	14.7	—	—	—	—	14.7	—	14.7
Other	—	—	1.6	(0.6)	—	—	—	1.0	(0.7)	0.3
Balances at December 31, 2017	150.9	$ 1.6	$ 482.5	$4,123.4	$ (104.8)	(0.1)	$ (1.6)	$ 4,501.1	$ 356.9	$ 4,858.0

See accompanying notes to consolidated financial statements.

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

In December 2017, the Company’s Board of Directors authorized a new $500 million share repurchase program effective January 1, 2018 through December 31, 2019. The new program replaced the previous program which expired on December 31, 2017. Under the previous program, 2,825,400 shares were repurchased during the year ended December 31, 2017, at a cost of $85.4 million. Certain shares of stock repurchased during December 2017, totaling $6.0 million, were cash settled in January 2018 in accordance with normal settlement practices. During the year ended December 31, 2016, the Company repurchased 2,070,600 shares at a cost of $34.7 million.

In May 2015, the Company's stockholders approved amendments to the Company's Certificate of Incorporation increasing the number of authorized shares of common stock from 200 million to 400 million and reducing the par value of the Company's common stock to $0.01 per share from $1.00 per share.

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. Revenues for certain customer-requested “bill and hold” arrangements, primarily in the Energy Equipment Group, are recognized when all of the following conditions have been met: the risks of ownership have passed to the customer, the customer has made a fixed commitment to purchase the goods, there is a fixed delivery schedule consistent with the customer’s business purpose, the customer’s goods have been segregated from our inventory and are not available to fill other orders, the goods are complete and ready for shipment, and no additional performance obligations exist for the Company. Revenue from rentals and operating leases, including contracts that 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 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. See Recent Accounting Pronouncements for a discussion of the effects of the Company's adoption of Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers."

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

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 (using level two inputs), receivables, and accounts payable are considered to be representative of their respective fair values.

Inventories

Inventories are valued at the lower of cost or net realizable value in accordance with Accounting Standard Update 2015-11 ("ASU 2015-11") which became effective for public companies during interim and annual reporting periods beginning after December 15, 2016. The adoption of this standard had no impact on any periods presented herein. Cost is determined principally on the first in first out method. 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.

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. Based on the Company's evaluations, no impairment charges were determined to be necessary as of December 31, 2017 and 2016.

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 quantitative 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. As of December 31, 2017 and 2016, the Company's annual impairment test of goodwill was completed at the reporting unit level and no impairment charges were determined to be necessary.

The net book value of intangible assets totaled $74.8 million and $79.7 million as of December 31, 2017 and 2016, respectively, and included intangible assets with defined useful lives of $38.2 million and $43.1 million, respectively, which are amortized over their estimated useful lives ranging from 1 to 20 years. Intangible assets were evaluated for potential impairment as of December 31, 2017 and 2016.

Restricted Cash

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

The Company provides various express, limited product warranties that generally range 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 asserted by customers. Second, based on historical, accepted 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.

Foreign Currency Translation

Certain 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

On January 1, 2017, the Company adopted Accounting Standards Update 2016-09, “Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting”, ("ASU 2016-09”) which changed how companies account for certain aspects of share-based payments to employees. ASU 2016-09 requires, among other things, that excess tax benefits or deficiencies related to vested awards, previously recognized in stockholders' equity, be included in income tax expense when the awards vest. The adoption of ASU 2016-09 resulted in an adjustment to retained earnings of $0.6 million, net of tax, as of January 1, 2017 related to the cumulative effect of the standard. For the year ended December 31, 2017, the effect on the provision for income taxes included in the consolidated statement of operations was an additional provision of $1.7 million.

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 became effective for public companies during interim and annual reporting periods beginning after December 15, 2017.

The Company adopted ASU 2014-09 effective January 1, 2018 using the modified retrospective method of adoption. Under this method, the guidance will be applied only to the most current period presented in the financial statements and the cumulative effect of initially applying the standard will result in an adjustment to the opening balance of retained earnings as of the date of adoption. Using both internal and external resources, the Company has substantially completed its evaluation of the requirements of the standard and their application to our various business units. Accordingly, we anticipate a change in the timing of revenue recognition for our wind towers and utility structures product lines within our Energy Equipment Group, no longer recognizing revenue when products are delivered, but under the new guidance, recognizing revenue over time as products are manufactured. The impact of this change is expected to result in a reduction to retained earnings of approximately $3.2 million, net of tax, as of January 1, 2018 . We expect revenue recognition policies related to our other business segments to remain substantially unchanged as a result of adopting ASU 2014-09. Additionally, we do not anticipate significant changes in business processes or systems. The Company is developing additional internal controls over financial reporting to ensure that the requirements of the new standard are satisfied.

In November 2016, the FASB issued Accounting Standards Update No. 2016-18, "Restricted Cash", ("ASU 2016-18") which clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. The new guidance requires a reconciliation of totals in the statement of cash flows to the related cash and cash equivalents and restricted cash captions in the balance sheet. ASU 2016-18 became effective for public companies during interim and annual reporting periods beginning after December 15, 2017 with early adoption permitted. Accordingly, the Company adopted this new standard on January 1, 2018. The effect of adopting this standard is not expected to be significant.

In March 2017, the FASB issued Accounting Standards Update No. 2017-07, “Compensation - Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost” (“ASU 2017-07”) which changes how companies that sponsor defined benefit pension plans present the related net periodic benefit cost in the income statement. The service cost component of the net periodic benefit cost will continue to be presented in the same income statement line items, however other components of the net periodic benefit cost will be presented as a component of other income and excluded from operating profit. ASU 2017-07 became effective for public companies during interim and annual reporting periods beginning after December 15, 2017 with early adoption permitted. Accordingly, the Company adopted this new standard on January 1, 2018. The effect of adopting this standard is not expected to be significant.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases", ("ASU 2016-02") which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 will become effective for public companies during interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company plans to adopt ASU

2016-02 effective January 1, 2019. We are continuing to assess the potential effects of the new standard, including its effects on our consolidated financial statements and the accounting for revenue from full service leases.

In February 2018, the FASB issued Accounting Standards Update No. 2018-02, “Income Statement - Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income”, (“ASU 2018-02”) which gives entities the option to reclassify from AOCL to retained earnings the stranded tax effects resulting from the Tax Cuts and Jobs Act enacted on December 22, 2017. ASU 2018-02 will become effective for public companies during interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. We are continuing to assess the potential effects of the new standard.

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 as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Acquisitions and Divestitures

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

	Year Ended December 31,		
	2017	**2016**	**2015**
		(in millions)	
Acquisitions:			
Purchase price	**$ 63.0**	$ —	$ 46.2
Net cash paid	**$ 47.5**	$ —	$ 46.2
Goodwill recorded	**$ 25.0**	$ —	$ —
Divestitures:			
Proceeds	**$ —**	$ —	$ 51.3
Gain recognized	**$ —**	$ —	$ 8.3
Goodwill charged off	**$ —**	$ —	$ 17.3

In May and October 2017, we completed the acquisition of the assets of two lightweight aggregates businesses, issuing 459,603 shares of stock valued at $14.7 million for the October acquisition. In July 2017, we completed the acquisition of the assets of a trench shoring products business for $42.1 million. All three acquisitions were in our Construction Products Group. As of December 31, 2017, these acquisitions were recorded based on preliminary valuations of the acquired 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. See Note 3 Fair Value Accounting for a discussion of inputs in determining fair value.

In March 2015, we completed the acquisition of the assets of a lightweight construction aggregates business in our Construction Products Group with facilities located in Louisiana, Alabama, and Arkansas.

In June 2015, we sold the assets of our galvanizing business which included six facilities in Texas, Mississippi, and Louisiana, recognizing a gain of $8.3 million which is included in other gains on dispositions of property in the accompanying consolidated statements of operations. The assets and results of operations for this divestiture were included in the Construction Products Group.

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, 2017			
	Level 1	Level 2	Level 3	Total
		(in millions)		
Assets:				
Cash equivalents	**$ 113.1**	**$ —**	**$ —**	**$ 113.1**
Restricted cash	**195.2**	**—**	**—**	**195.2**
Equity instruments[1]	**—**	**1.3**	**—**	**1.3**
Interest rate hedge[1]	**—**	**1.6**	**—**	**1.6**
Total assets	**$ 308.3**	**$ 2.9**	**$ —**	**$ 311.2**
Liabilities:				
Interest rate hedge:[2]				
Partially-owned subsidiaries	**$ —**	**$ —**	**$ —**	**$ —**
Total liabilities	**$ —**	**$ —**	**$ —**	**$ —**

	Fair Value Measurement as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
		(in millions)		
Assets:				
Cash equivalents	$ 188.7	$ —	$ —	$ 188.7
Restricted cash	178.2	—	—	178.2
Equity Instruments[1]	—	3.1	—	3.1
Fuel derivative instruments[1]	—	0.3	—	0.3
Total assets	$ 366.9	$ 3.4	$ —	$ 370.3
Liabilities:				
Interest rate hedge:[2]				
Partially-owned subsidiaries	$ —	$ 0.9	$ —	$ 0.9
Total liabilities	$ —	$ 0.9	$ —	$ 0.9

[1] Included in other assets on the consolidated balance sheet.

[2] 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. The equity instruments consist of warrants for the purchase of certain publicly-traded equity securities and are valued using the Black-Scholes-Merton pricing model and certain assumptions regarding the exercisability of the options under the related agreement.

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

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

	December 31, 2017		December 31, 2016	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(in millions)			
Recourse:				
Senior notes	**$ 399.7**	**$ 400.3**	$ 399.6	$ 386.3
Convertible subordinated notes	**449.4**	**715.0**	449.4	575.5
Less: unamortized discount	**(8.2)**		(26.7)	
	441.2		422.7	
Capital lease obligations	**28.3**	**28.3**	32.1	32.1
Other	**0.5**	**0.5**	—	—
	869.7	**1,144.1**	854.4	993.9
Less: unamortized debt issuance costs	**(2.9)**		(3.8)	
	866.8		850.6	
Non-recourse:				
2006 secured railcar equipment notes	**158.5**	**165.7**	194.2	201.5
2009 secured railcar equipment notes	**166.2**	**169.6**	172.5	189.9
2010 secured railcar equipment notes	**266.9**	**281.9**	280.6	284.3
2017 promissory notes	**293.6**	**293.6**	—	—
TILC warehouse facility	**150.7**	**150.7**	204.1	204.1
TRL 2012 secured railcar equipment notes	**402.8**	**390.4**	425.5	395.6
TRIP Master Funding secured railcar equipment notes	**962.5**	**1,007.6**	955.5	960.6
	2,401.2	**2,459.5**	2,232.4	2,236.0
Less: unamortized debt issuance costs	**(25.6)**		(26.4)	
	2,375.6		2,206.0	
Total	**$ 3,242.4**	**$ 3,603.6**	$ 3,056.6	$ 3,229.9

The estimated fair values 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, 2017 and 2016 (Level 2 input). The estimated fair values of our 2006, 2009, 2010, and 2012 secured railcar equipment 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, 2017 and 2016 using unobservable input values provided by a third party (Level 3 inputs). The carrying value of our Trinity Industries Leasing Company ("TILC") warehouse facility and 2017 promissory notes approximate 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.

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, components, and maintenance services; (2) the Construction Products Group, which manufactures and sells highway products and trench shields and shoring products and services for infrastructure-related projects, and produces and sells construction 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, steel utility structures for electricity transmission and distribution, storage and distribution containers, and tank heads for pressure and non-pressure vessels; 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 related to manufacturing and dedicated to the specific manufacturing operations of a particular segment are included in the 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 ("deferred profit") from the Rail Group to the Leasing Group are recorded in the Rail Group and eliminated in consolidation and reflected in the "Eliminations - Lease subsidiary" line in the table below. Sales between these groups are recorded at prices comparable to those charged to external customers, taking into consideration quantity, features, and production demand. 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.

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

Year Ended December 31, 2017

	Revenues			Operating Profit (Loss)	Assets	Depreciation & Amortization	Capital Expenditures
	External	Intersegment	Total				
				(in millions)			
Rail Group	**$ 1,295.3**	**$ 788.5**	**$2,083.8**	**$ 216.1**	**$ 933.0**	**$ 39.4**	**$ 9.7**
Construction Products Group	**498.9**	**5.7**	**504.6**	**66.4**	**571.8**	**24.6**	**55.5**
Inland Barge Group	**157.9**	**—**	**157.9**	**6.4**	**111.9**	**7.3**	**0.3**
Energy Equipment Group	**859.4**	**115.5**	**974.9**	**100.9**	**1,033.5**	**34.3**	**28.5**
Railcar Leasing and Management Services Group	**842.2**	**1.0**	**843.2**	**444.5**	**6,267.9**	**172.3**	**608.3**
All Other	**9.1**	**88.8**	**97.9**	**(19.3)**	**115.9**	**8.0**	**2.8**
Segment Totals before Eliminations and Corporate	**3,662.8**	**999.5**	**4,662.3**	**815.0**	**9,034.0**	**285.9**	**705.1**
Corporate	**—**	**—**	**—**	**(167.3)**	**1,320.7**	**9.6**	**7.6**
Eliminations – Lease subsidiary	**—**	**(732.0)**	**(732.0)**	**(92.0)**	**(800.7)**	**—**	**—**
Eliminations – Other	**—**	**(267.5)**	**(267.5)**	**(6.6)**	**(10.8)**	**(0.1)**	**—**
Consolidated Total	**$ 3,662.8**	**$ —**	**$3,662.8**	**$ 549.1**	**$ 9,543.2**	**$ 295.4**	**$ 712.7**

Year Ended December 31, 2016

	Revenues			Operating Profit (Loss)	Assets	Depreciation & Amortization	Capital Expenditures
	External	Intersegment	Total				
				(in millions)			
Rail Group	$ 2,006.9	$ 1,070.4	$3,077.3	$ 459.9	$ 1,014.1	$ 41.7	$ 29.2
Construction Products Group	510.6	12.6	523.2	72.6	470.3	23.8	49.9
Inland Barge Group	403.0	0.1	403.1	45.3	120.8	8.4	3.2
Energy Equipment Group	834.7	178.0	1,012.7	133.1	1,035.7	36.6	25.0
Railcar Leasing and Management Services Group	824.9	2.1	827.0	360.1	6,095.7	156.2	799.1
All Other	8.2	84.0	92.2	(18.9)	114.3	7.7	9.0
Segment Totals before Eliminations and Corporate	4,588.3	1,347.2	5,935.5	1,052.1	8,850.9	274.4	915.4
Corporate	—	—	—	(131.0)	1,079.3	8.7	18.0
Eliminations – Lease subsidiary	—	(1,021.9)	(1,021.9)	(178.2)	(798.1)	—	—
Eliminations – Other	—	(325.3)	(325.3)	(0.7)	(6.8)	(0.1)	—
Consolidated Total	$ 4,588.3	$ —	$4,588.3	$ 742.2	$ 9,125.3	$ 283.0	$ 933.4

Year Ended December 31, 2015

	Revenues			Operating Profit (Loss)	Assets	Depreciation & Amortization	Capital Expenditures
	External	Intersegment	Total				
				(in millions)			
Rail Group	$ 3,236.2	$ 1,225.6	$4,461.8	$ 931.6	$ 1,245.3	$ 38.8	$ 84.0
Construction Products Group	520.6	12.0	532.6	54.5	445.1	24.1	28.1
Inland Barge Group	652.9	—	652.9	117.0	157.7	10.5	5.8
Energy Equipment Group	883.6	230.1	1,113.7	150.9	1,118.3	38.2	53.5
Railcar Leasing and Management Services Group	1,091.6	13.2	1,104.8	606.2	5,358.2	142.3	833.8
All Other	7.8	104.5	112.3	(8.2)	64.2	4.8	9.8
Segment Totals before Eliminations and Corporate	6,392.7	1,585.4	7,978.1	1,852.0	8,388.8	258.7	1,015.0
Corporate	—	—	—	(152.6)	1,175.6	7.8	14.8
Eliminations – Lease subsidiary	—	(1,164.4)	(1,164.4)	(259.6)	(673.0)	—	—
Eliminations – Other	—	(421.0)	(421.0)	(0.9)	(5.5)	(0.1)	—
Consolidated Total	$ 6,392.7	$ —	$6,392.7	$ 1,438.9	$ 8,885.9	$ 266.4	$ 1,029.8

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.

Revenues and operating profit for our Mexico operations for the years ended December 31, 2017, 2016, and 2015 are presented below. Our Canadian operations were not significant in relation to the consolidated financial statements.

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Mexico:			
Revenues:			
External	**$ 111.5**	$ 118.9	$ 106.0
Intercompany	**151.6**	199.0	230.6
	$ 263.1	$ 317.9	$ 336.6
Operating profit	**$ 0.7**	$ 59.0	$ 77.1

Total assets and long-lived assets for our Mexico operations as of December 31, 2017 and 2016 are presented below:

	Total Assets		Long-Lived Assets	
	December 31,			
	2017	2016	2017	2016
	(in millions)			
Mexico	**$ 287.5**	$ 319.0	**$ 183.2**	$ 195.5

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 in which the Company has a controlling interest. Each is 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.

At December 31, 2017, the Company's carrying value of its investment in TRIP Holdings and RIV 2013 totaled $195.0 million. The Company's weighted average ownership interest in TRIP Holdings and RIV 2013 is 38% while the remaining 62% weighted average interest is owned by third-party investor-owned funds. The Company's investments in its partially-owned leasing subsidiaries are eliminated in consolidation.

Each of TRIP Holdings and RIV 2013 has wholly-owned subsidiaries that are the owners of railcars acquired from the Company's Rail and Leasing Groups. 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). Railcar purchases by these subsidiaries were funded by secured borrowings and capital contributions from TILC and third-party equity investors. 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.

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.

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 available, 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. TILC and the third-party equity investors have commitments to provide additional equity funding to TRIP Holdings that expire in May 2019 contingent upon certain returns on investment in TRIP Holdings and other conditions being met. There are no remaining equity commitments with respect to RIV 2013.

See Note 11 Debt regarding the debt of TRIP Holdings and RIV 2013 and their respective subsidiaries.

Note 6. Railcar Leasing and Management Services Group

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

	December 31, 2017			
	Leasing Group			
	Wholly-Owned Subsidiaries	Partially-Owned Subsidiaries	Manufacturing/ Corporate	Total
	(in millions)			
Cash, cash equivalents, and short-term marketable securities	**$ 3.3**	**$ —**	**$ 1,094.8**	**$ 1,098.1**
Property, plant, and equipment, net	**$ 4,140.0**	**$ 1,822.7**	**$ 972.7**	**$ 6,935.4**
Net deferred profit on railcars sold to the Leasing Group				**(800.7)**
Consolidated property, plant, and equipment, net				**$ 6,134.7**
Restricted cash	**$ 132.2**	**$ 62.9**	**$ 0.1**	**$ 195.2**
Debt:				
Recourse	**$ 28.3**	**$ —**	**$ 849.9**	**$ 878.2**
Less: unamortized discount	**—**	**—**	**(8.5)**	**(8.5)**
Less: unamortized debt issuance costs	**—**	**—**	**(2.9)**	**(2.9)**
	28.3	**—**	**838.5**	**866.8**
Non-recourse	**1,035.9**	**1,365.3**	**—**	**2,401.2**
Less: unamortized debt issuance costs	**(11.1)**	**(14.5)**	**—**	**(25.6)**
	1,024.8	**1,350.8**	**—**	**2,375.6**
Total debt	**$ 1,053.1**	**$ 1,350.8**	**$ 838.5**	**$ 3,242.4**
Net deferred tax liabilities	**$ 653.7**	**$ 0.8**	**$ 69.4**	**$ 723.9**

	December 31, 2016			
	Leasing Group			
	Wholly-Owned Subsidiaries	Partially-Owned Subsidiaries	Manufacturing/ Corporate	Total
	(in millions)			
Cash, cash equivalents, and short-term marketable securities	$ 7.2	$ —	$ 790.9	$ 798.1
Property, plant, and equipment, net	$ 3,923.6	$ 1,879.6	$ 961.7	$ 6,764.9
Net deferred profit on railcars sold to the Leasing Group				(798.1)
Consolidated property, plant, and equipment, net				$ 5,966.8
Restricted cash	$ 99.7	$ 78.4	$ 0.1	$ 178.2
Debt:				
Recourse	$ 32.1	$ —	$ 849.4	$ 881.5
Less: unamortized discount	—	—	(27.1)	(27.1)
Less: unamortized debt issuance costs	(0.1)	—	(3.7)	(3.8)
	32.0	—	818.6	850.6
Non-recourse	851.4	1,381.0	—	2,232.4
Less: unamortized debt issuance costs	(11.4)	(15.0)	—	(26.4)
	840.0	1,366.0	—	2,206.0
Total debt	$ 872.0	$ 1,366.0	$ 818.6	$ 3,056.6
Net deferred tax liabilities	$ 956.6	$ 2.0	$ 98.4	$ 1,057.0

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. See Note 13 Income Taxes for a discussion of the effects of the Tax Cuts and Jobs Act on net deferred tax liabilities.

	Year Ended December 31,			Percent Change	
	2017	2016	2015	2017 versus 2016	2016 versus 2015
		($ in millions)			
Revenues:					
Leasing and management	**$ 743.6**	$ 700.9	$ 699.9	**6.1%**	**0.1%**
Sale of railcars owned one year or less at the time of sale	**99.6**	126.1	404.9		
Total revenues	**$ 843.2**	$ 827.0	$ 1,104.8	**2.0**	**(25.1)**
Operating profit:					
Leasing and management	**$ 341.3**	$ 312.5	$ 331.1	**9.2**	**(5.6)**
Railcar sales:					
Railcars owned one year or less at the time of sale	**19.7**	34.1	109.0		
Railcars owned more than one year at the time of sale	**83.5**	13.5	166.1		
Total operating profit	**$ 444.5**	$ 360.1	$ 606.2	**23.4**	**(40.6)**
Operating profit margin:					
Leasing and management	**45.9%**	44.6%	47.3%		
Railcar sales	*	*	*		
Total operating profit margin	**52.7%**	43.5%	54.9%		
Selected expense information[1]:					
Depreciation	**$ 172.3**	$ 156.2	$ 142.3	**10.3**	**9.8**
Maintenance and compliance	**$ 96.4**	$ 104.3	$ 97.3	**(7.6)**	**7.2**
Rent	**$ 39.9**	$ 39.3	$ 41.6	**1.5**	**(5.5)**
Interest	**$ 125.8**	$ 125.2	$ 138.8	**0.5**	**(9.8)**

* Not meaningful

[1] Depreciation, maintenance and compliance, 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.

During the year ended December 31, 2017, 2016, and 2015 the Company received proceeds from the sale of leased railcars as follows:

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Leasing Group:			
Railcars owned one year or less at the time of sale	**$ 99.6**	$ 126.1	$ 404.9
Railcars owned more than one year at the time of sale	**360.7**	37.7	514.6
Rail Group	**—**	8.1	260.5
	$ 460.3	$ 171.9	$ 1,180.0

Equipment consists primarily of railcars leased to 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:

	2018	2019	2020	2021	2022	Thereafter	Total
				(in millions)			
Future contractual minimum rental revenues	$ 493.2	$ 410.1	$ 329.2	$ 227.5	$ 165.4	$ 315.7	$ 1,941.1

Debt. *Wholly-owned subsidiaries.* The Leasing Group's debt at December 31, 2017 consisted primarily of non-recourse debt. In 2009, the Company entered into capital lease obligations totaling $56.6 million. The capital lease obligations are guaranteed by Trinity Industries, Inc. and certain subsidiaries, and secured by railcar equipment and related leases. As of December 31, 2017, Trinity's wholly-owned subsidiaries included in the Leasing Group held equipment with a net book value of $1,690.1 million which is pledged as collateral for Leasing Group debt held by those subsidiaries, including equipment with a net book value of $40.7 million securing capital lease obligations. The net book value of unpledged equipment at December 31, 2017 was $2,386.8 million. See Note 11 Debt for the form, maturities, and descriptions of Leasing Group debt.

Partially-owned subsidiaries. Debt owed by TRIP Holdings and RIV 2013 and their respective subsidiaries is non-recourse to Trinity and TILC. Creditors of each of TRIP Holdings and RIV 2013 and their respective subsidiaries have recourse only to the particular subsidiary's assets. TRIP Master Funding equipment with a net book value of $1,271.3 million is pledged as collateral for the TRIP Master Funding debt. TRL 2012 equipment with a net book value of $551.4 million is pledged solely as collateral for the TRL 2012 secured railcar equipment notes. See Note 5 Partially-Owned Leasing Subsidiaries for a description of TRIP Holdings and RIV 2013.

Off Balance Sheet Arrangements. In prior years, the Leasing Group completed a series of financing transactions whereby railcars were sold to one or more separate independent owner trusts (the "Trusts"). Each of the Trusts financed the purchase of the railcars with a combination of debt and equity. In each transaction, the equity participant in each of the respective Trusts is considered to be the primary beneficiary of the Trust and therefore, the accounts of the Trusts, including the debt related to each of the Trusts, are not included as part of the consolidated financial statements. The Leasing Group, through wholly-owned, qualified subsidiaries, leased railcars from the Trusts under operating leases with terms of 22 years, and subleased the railcars to independent third-party customers under shorter term operating rental agreements. In February 2015, the Leasing Group purchased all of the railcars of one of the Trusts for $121.1 million, resulting in the termination of the selling trust and the Leasing Group's remaining future operating lease obligations to the selling trust totaling $105.8 million. Under the terms of the operating lease agreements between the subsidiaries and the remaining Trusts, the Leasing Group has the option to purchase, at a predetermined fixed price, certain railcars from the remaining Trusts in 2019. In January 2018, the Leasing Group provided the Trusts with an irrevocable twelve-month notice of intent to exercise their option to purchase all of the Trusts' railcars for $223.6 million.

These Leasing Group subsidiaries had total assets as of December 31, 2017 of $145.3 million, including cash of $54.9 million and railcars of $62.5 million. The subsidiaries' cash, railcars, and an interest in each sublease are pledged to collateralize the lease obligations to the Trusts and are included in the consolidated financial statements of the Company. Trinity does not guarantee the performance of the subsidiaries' lease obligations. Certain ratios and cash deposits must be maintained by the Leasing Group's subsidiaries in order for excess cash flow, as defined in the agreements, from the lease to third parties to be available to Trinity. Future operating lease obligations of the Leasing Group's subsidiaries as well as future contractual minimum rental revenues related to these leases due to the Leasing Group are as follows:

	2018	2019	2020	2021	2022	Thereafter	Total
				(in millions)			
Future operating lease obligations of Trusts' railcars	$ 29.2	$ 28.8	$ 26.1	$ 26.1	$ 24.9	$ 93.0	$ 228.1
Future contractual minimum rental revenues of Trusts' railcars	$ 38.5	$ 27.5	$ 17.7	$ 12.7	$ 8.7	$ 7.8	$ 112.9

In each transaction, the Leasing Group has entered into a servicing and re-marketing agreement with the Trusts that requires the Leasing Group to endeavor, consistent with customary commercial practice as would be used by a prudent person, to maintain railcars under lease for the benefit of the Trusts. The Leasing Group also receives management fees under the terms of the agreements. In each transaction, an independent trustee for the Trusts has authority for appointment of the railcar fleet manager.

Operating Lease Obligations. Future amounts due as well as future contractual minimum rental revenues related to operating leases other than leases discussed above are as follows:

	2018	2019	2020	2021	2022	Thereafter	Total
				(in millions)			
Future operating lease obligations	$ 12.0	$ 9.5	$ 7.7	$ 7.6	$ 6.9	$ 6.6	$ 50.3
Future contractual minimum rental revenues	$ 10.3	$ 7.7	$ 4.8	$ 3.6	$ 3.2	$ 1.2	$ 30.8

Operating lease obligations totaling $5.5 million are guaranteed by Trinity Industries, Inc. and certain subsidiaries.

Note 7. Derivative Instruments

We may 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 may 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 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 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 Fair Value Accounting for discussion of how the Company valued its commodity hedges and interest rate swaps at December 31, 2017.

Interest rate hedges

			Included in accompanying balance sheet at December 31, 2017		
	Notional Amount	Interest Rate[1]	Asset	AOCL – loss/ (income)	Noncontrolling Interest
	(in millions, except %)				
Expired hedges:					
2006 secured railcar equipment notes	$ 200.0	4.87%	$ —	$ (0.4)	$ —
TRIP Holdings warehouse loan	$ 788.5	3.60%	$ —	$ 4.0	$ 5.4
TRIP Master Funding secured railcar equipment notes	$ 34.8	2.62%	$ —	$ 0.3	$ 0.5
Open hedge:					
2017 promissory notes	$ 176.1	3.00%	$ 1.6	$ 0.8	$ —

(1) Weighted average fixed interest rate, except for 2017 promissory notes. Interest rate cap for 2017 promissory notes.

	Effect on interest expense-increase/(decrease)			
	Year Ended December 31,			Expected effect during next twelve months[1]
	2017	2016	2015	
	(in millions)			
2006 secured railcar equipment notes	$ (0.3)	$ (0.4)	$ (0.3)	$ (0.1)
Promissory notes	$ —	$ —	$ 6.5	$ —
TRIP Holdings warehouse loan	$ 4.5	$ 4.8	$ 4.9	$ 2.2
TRIP Master Funding secured railcar equipment notes	$ 0.4	$ 0.9	$ 1.3	$ 0.2

(1) Based on the fair value of open hedges as of December 31, 2017

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.

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 were 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 was being amortized over the term of the related debt. These derivative instruments were fully amortized in May 2015. The effect on interest expense is due to amortization of the AOCL balance. In 2008, we entered into an interest rate swap derivative instrument to fix the variable Libor component of the Promissory Notes. This derivative instrument expired in

May 2015 and was being accounted for as a cash flow hedge. The effect on interest expense is primarily from a result of 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 $2.2 million of additional interest expense expected to be recognized during the twelve months following December 31, 2017.

In July 2011, TRIP Holdings' wholly-owned subsidiary, TRIP Master Funding, entered into an interest rate swap derivative instrument, expiring in 2021, with an initial 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 TRIP Master Funding interest rate hedge was terminated in August 2017 in connection with the refinancing of the related indebtedness. The effect on interest expense is primarily a result of monthly interest settlements. The balance included in AOCL at the date the hedge was terminated is being amortized over the life of the terminated hedge with $0.2 million of additional interest expense expected to be recognized during the twelve months following December 31, 2017.

In May 2017, TRL 2017 purchased an interest rate cap derivative, which qualified as a cash flow hedge, to limit the Libor component of the interest rate on the 2017 promissory notes to a maximum rate of 3%. The effect on interest expense is primarily the result of amortization of the cost of the derivative and is not expected to be significant during the next twelve months.

See Note 11 Debt regarding the related debt instruments.

Other Derivatives

Natural gas and diesel fuel

We maintain a program to mitigate the impact of fluctuations in the price of natural gas and diesel fuel. 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, 2017 for these instruments was not significant. The effect of these hedges was to increase cost of revenues for the years ended December 31, 2017 and 2015 by $0.1 million and $1.1 million, respectively, and to decrease cost of revenues for the year ended December 31, 2016 by $0.4 million.

Note 8. Property, Plant, and Equipment

The following table summarizes the components of property, plant, and equipment as of December 31, 2017 and 2016.

	December 31, 2017	December 31, 2016
	(in millions)	
Manufacturing/Corporate:		
Land	**$ 122.1**	$ 103.3
Buildings and improvements	**668.1**	642.6
Machinery and other	**1,223.6**	1,151.1
Construction in progress	**32.6**	39.1
	2,046.4	1,936.1
Less accumulated depreciation	**(1,073.7)**	(974.4)
	972.7	961.7
Leasing:		
Wholly-owned subsidiaries:		
Machinery and other	**10.7**	10.7
Equipment on lease	**4,987.6**	4,673.0
	4,998.3	4,683.7
Less accumulated depreciation	**(858.3)**	(760.1)
	4,140.0	3,923.6
Partially-owned subsidiaries:		
Equipment on lease	**2,315.5**	2,309.4
Less accumulated depreciation	**(492.8)**	(429.8)
	1,822.7	1,879.6
Deferred profit on railcars sold to the Leasing Group	**(974.9)**	(948.2)
Less accumulated amortization	**174.2**	150.1
	(800.7)	(798.1)
	$ 6,134.7	$ 5,966.8

We lease certain equipment and facilities under operating leases. Future minimum rent expense on non-Leasing Group leases in each year is (in millions): 2018 - $10.5; 2019 - $7.6; 2020 - $4.9; 2021 - $1.9; 2022 - $1.0; and $3.0 thereafter. See Note 6 Railcar Leasing and Management Services Group for information related to the lease agreements, future operating lease obligations, and future minimum rent expense associated with the Leasing Group.

We did not capitalize any interest expense as part of the construction of facilities and equipment during 2017 or 2016.

We estimate the fair market value of properties no longer in use based on the location and condition of the properties, the fair market value of similar properties in the area, and the Company's experience selling similar properties in the past. As of December 31, 2017, the Company had non-operating plants with a net book value of $71.3 million. Our estimated fair value of these assets exceeds their book value.

Note 9. Goodwill

Goodwill by segment is as follows:

	December 31, 2017	December 31, 2016
	(in millions)	
Rail Group	**$ 134.6**	$ 134.6
Construction Products Group	**136.0**	111.0
Energy Equipment Group	**507.9**	506.7
Railcar Leasing and Management Services Group	**1.8**	1.8
	$ 780.3	$ 754.1

As of December 31, 2017 and 2016, the Company's annual impairment test of goodwill was completed at the reporting unit level and no impairment charges were determined to be necessary. The increase in the Construction Products Group goodwill as of December 31, 2017 is due to acquisition activities during the twelve months ended December 31, 2017. See Note 2 Acquisitions and Divestitures. Changes in the Energy Equipment Group goodwill during the year ended December 31, 2017 resulted from fluctuations in foreign currency exchange rates.

Note 10. Warranties

The changes in the accruals for warranties for the years ended December 31, 2017, 2016, and 2015 are as follows:

	December 31, 2017	December 31, 2016	December 31, 2015
		(in millions)	
Beginning balance	**$ 15.7**	$ 21.5	$ 17.8
Warranty costs incurred	**(8.5)**	(9.4)	(7.1)
Warranty originations and revisions	**9.0**	8.0	17.2
Warranty expirations	**(3.5)**	(4.4)	(6.4)
Ending balance	**$ 12.7**	$ 15.7	$ 21.5

Note 11. Debt

The following table summarizes the components of debt as of December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016
	(in millions)	
Corporate – Recourse:		
Revolving credit facility	**$ —**	$ —
Senior notes, net of unamortized discount of $0.3 and $0.4	**399.7**	399.6
Convertible subordinated notes, net of unamortized discount of $8.2 and $26.7	**441.2**	422.7
Other	**0.5**	—
	841.4	822.3
Less: unamortized debt issuance costs	**(2.9)**	(3.7)
	838.5	818.6
Leasing – Recourse:		
Capital lease obligations, net of unamortized debt issuance costs of $- and $0.1	**28.3**	32.0
Total recourse debt	**866.8**	850.6
Leasing – Non-recourse:		
Wholly-owned subsidiaries:		
2006 secured railcar equipment notes	**158.5**	194.2
2009 secured railcar equipment notes	**166.2**	172.5
2010 secured railcar equipment notes	**266.9**	280.6
2017 promissory notes	**293.6**	—
TILC warehouse facility	**150.7**	204.1
	1,035.9	851.4
Less: unamortized debt issuance costs	**(11.1)**	(11.4)
	1,024.8	840.0
Partially-owned subsidiaries:		
TRL 2012 secured railcar equipment notes	**402.8**	425.5
TRIP Master Funding secured railcar equipment notes	**962.5**	955.5
	1,365.3	1,381.0
Less: unamortized debt issuance costs	**(14.5)**	(15.0)
	1,350.8	1,366.0
Total non–recourse debt	**2,375.6**	2,206.0
Total debt	**$ 3,242.4**	$ 3,056.6

Corporate

We have a $600.0 million unsecured corporate revolving credit facility that matures in May 2020. As of December 31, 2017, we had letters of credit issued under our revolving credit facility in an aggregate principal amount of $78.9 million, leaving $521.1 million available for borrowing. Other than these letters of credit, there were no borrowings under our revolving credit facility as of December 31, 2017, or for the twelve month period then ended. Of the outstanding letters of credit as of December 31, 2017, a total of $78.6 million is expected to expire in 2018 and the remainder in 2019. The majority of our letters of credit obligations support the Company's various insurance programs and generally renew by their terms each year. Trinity's revolving credit facility requires the maintenance of ratios related to minimum interest coverage for the leasing and manufacturing operations and maximum leverage. As of December 31, 2017, we were in compliance with all such financial covenants. Borrowings under the credit facility bear interest at a defined index rate plus a margin and are guaranteed by certain 100%-owned subsidiaries of the Company.

The Company's Convertible Subordinated Notes due 2036 ("Convertible Subordinated Notes") bear an interest rate of 3 7/8% per annum on the principal amount payable semi-annually in arrears on June 1 and December 1 of each year. In addition, commencing with the six-month period beginning June 1, 2018 and for each six-month period thereafter, we will pay contingent interest to the holders of the Convertible Subordinated Notes under certain circumstances. The Convertible Subordinated Notes mature on June 1, 2036, unless redeemed, repurchased, or converted earlier. We may not redeem the Convertible Subordinated Notes before June 1, 2018. On or after that date, we may redeem all or part of the Convertible Subordinated Notes for cash at 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest (including any contingent interest) up to, but excluding, the redemption date. Holders of the Convertible Subordinated Notes may require us to purchase all or a portion of their notes on June 1, 2018 or upon a fundamental change, in each case for cash at a price equal to 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest (including any contingent interest) up to, but excluding, the purchase date.

The Convertible Subordinated Notes are recorded net of unamortized discount to reflect their underlying economics by capturing the value of the conversion option as borrowing costs. As of December 31, 2017 and 2016, capital in excess of par value included $92.5 million related to the estimated value of the Convertible Subordinated Notes' conversion options, in accordance with ASC 470-20. Debt discount recorded in the consolidated balance sheet is being amortized through June 1, 2018 to yield an effective annual interest rate of 8.42% based upon the estimated market interest rate for comparable non-convertible debt as of the issuance date of the Convertible Subordinated Notes. Total interest expense recognized on the Convertible Subordinated Notes for the years ended December 31, 2017, 2016, and 2015, is as follows:

	Year Ended December 31,		
	2017	**2016**	**2015**
		(in millions)	
Coupon rate interest	**$ 17.4**	$ 17.4	$ 17.4
Amortized debt discount	**18.6**	17.1	15.7
	$ 36.0	$ 34.5	$ 33.1

Holders of the Convertible Subordinated Notes may convert their notes under the following circumstances: 1) if the daily closing price of our common stock is greater than or equal to 130% of the conversion price during 20 of the last 30 trading days of the preceding calendar quarter; 2) upon notice of redemption; or 3) upon the occurrence of specified corporate transactions pursuant to the terms of the applicable indenture. Upon conversion, the Company is required to pay cash up to the aggregate principal amount of the Convertible Subordinated Notes to be converted. Any conversion obligation in excess of the aggregate principal amount of the Convertible Subordinated Notes to be converted may be settled in cash, shares of the Company's common stock, or a combination of cash and shares of the Company's common stock, at the Company's election. The conversion price, which is subject to adjustment upon the occurrence of certain events, was $24.27 per share as of December 31, 2017. The Convertible Subordinated Notes were subject to conversion as of January 1, 2018. Holders of the Convertible Subordinated Notes have the right to convert the notes until March 31, 2018. The Convertible Subordinated Notes may continue to be convertible after March 31, 2018 if the conversion price threshold is met. See Note 17 Earnings Per Common Share for an explanation of the effects of the Convertible Subordinated Notes on earnings per share. The Company has not entered into any derivatives transactions associated with these notes.

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 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. See Note 19 Financial Statements for Guarantors of the Senior Notes.

Wholly-owned leasing subsidiaries

In May 2006, Trinity Rail Leasing V, L.P., a limited partnership ("TRL V") and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC issued $355.0 million in aggregate principal amount of Secured Railcar Equipment Notes, Series 2006-1A (the "2006 Secured Railcar Equipment Notes"), of which $158.5 million was outstanding as of December 31, 2017. The 2006 Secured Railcar Equipment Notes were issued pursuant to a Master Indenture, dated May 24, 2006, between TRL V and Wilmington Trust Company, as indenture trustee. The 2006 Secured Railcar Equipment Notes bear interest at a fixed rate of 5.90% per annum, are payable monthly, and have a final maturity of May 14, 2036. The 2006 Secured Railcar Equipment Notes are obligations of TRL V and are non-recourse to Trinity. The obligations are secured by a portfolio of railcars and operating leases thereon, certain cash reserves, and other assets acquired and owned by TRL V.

In November 2009, Trinity Rail Leasing VII LLC, a Delaware limited liability company ("TRL VII") and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $238.3 million in aggregate principal amount of Secured Railcar Equipment Notes, Series 2009-1 ("the 2009 Secured Railcar Equipment Notes"), of which $166.2 million was outstanding as of December 31, 2017. The 2009 Secured Railcar Equipment Notes were issued pursuant to a Master Indenture, dated November 5, 2009 between TRL VII and Wilmington Trust Company, as indenture trustee. The 2009 Secured Railcar Equipment Notes bear interest at a fixed rate of 6.66% per annum, are payable monthly, and have a final maturity date of November 16, 2039. The 2009 Secured Railcar Equipment Notes are obligations of TRL VII and are non-recourse to Trinity. The obligations are secured by a portfolio of railcars and operating leases thereon, certain cash reserves, and other assets acquired and owned by TRL VII.

In October 2010, Trinity Rail Leasing 2010 LLC, a Delaware limited liability company ("TRL 2010") and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $369.2 million in aggregate principal amount of

Secured Railcar Equipment Notes, Series 2010-1 (“2010 Secured Railcar Equipment Notes"), of which $266.9 million was outstanding as of December 31, 2017. The 2010 Secured Railcar Equipment Notes were issued pursuant to an Indenture, dated as of October 25, 2010 between TRL 2010 and Wilmington Trust Company, as indenture trustee. The 2010 Secured Railcar Equipment Notes bear interest at a fixed rate of 5.19%, are payable monthly, and have a stated final maturity date of October 16, 2040. The 2010 Secured Railcar Equipment Notes are obligations of TRL 2010 and are non-recourse to Trinity. The obligations are secured by a portfolio of railcars and operating leases thereon, certain cash reserves, and other assets acquired and owned by TRL 2010.

The $1.0 billion TILC warehouse loan facility, established to finance railcars owned by TILC, had $150.7 million in outstanding borrowings as of December 31, 2017. Under the facility, $849.3 million was unused and available as of December 31, 2017 based on the amount of warehouse-eligible, unpledged equipment. The warehouse loan facility is a non-recourse obligation that expires in April 2018 and is 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 3.23% at December 31, 2017. Amounts outstanding at maturity, absent renewal, are payable under the renewed facility in April 2019.

In 2009, the Company entered into capital lease obligations totaling $56.6 million, of which $28.3 million was outstanding as of December 31, 2017. The capital lease obligations are guaranteed by the Company and certain subsidiaries and secured by railcar equipment and related leases.

In May 2017, Trinity Rail Leasing 2017, LLC, a Delaware limited liability company ("TRL 2017") and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $302.4 million of promissory notes (the "2017 Promissory Notes") due May 15, 2024, of which $293.6 million was outstanding as of December 31, 2017. The 2017 Promissory Notes are obligations of TRL 2017 and are non-recourse to Trinity. The 2017 Promissory Notes bear interest at Libor plus a margin for an all-in interest rate of 3.00% as of December 31, 2017, payable monthly. The 2017 Promissory Notes are secured by a portfolio of railcars and operating leases thereon, certain cash reserves, and other assets acquired and owned by TRL 2017.

Partially-owned leasing subsidiaries

In July 2011, TRIP Holdings issued $175.0 million in Senior Secured Notes (the “TRIP Holdings Senior Secured Notes”) and TRIP Master Funding, a Delaware limited liability company and limited purpose, wholly-owned subsidiary of TRIP Holdings, issued $857.0 million in Secured Railcar Equipment Notes (the “TRIP Master Funding Secured Railcar Equipment Notes”). The proceeds from the TRIP Holdings Senior Secured Notes and the TRIP Master Funding Secured Railcar Equipment Notes were primarily used by TRIP Master Funding to purchase all of the railcar equipment owned by TRIP Leasing, a wholly-owned subsidiary of TRIP Holdings. The TRIP Holdings Senior Secured Notes were repaid in full in May 2013.

The TRIP Master Funding Secured Railcar Equipment Notes consisted of three classes with the Class A-1a notes bearing interest at 4.37%, the Class A-1b notes bearing interest at Libor plus 2.50%, and the Class A-2 notes bearing interest at 6.02%, all payable monthly, with a final maturity date in July 2041. In May 2014, TRIP Master Funding issued $335.7 million in aggregate principal amount of Series 2014-1 Secured Railcar Equipment Notes consisting 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%, with a final maturity date of April 2044. In August 2017, TRIP Master Funding issued $237.9 million in aggregate principle amount of Series 2017-1 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 August 2047. The proceeds from the issuance were used primarily to retire the TRIP Master Funding Secured Railcar Equipment Notes Class A-1a and Class A-1b notes as well as the TRIP Master Funding Series 2014-1 Secured Railcar Equipment Notes Class A-1 notes in full. The TRIP Master Funding Secured Railcar Equipment Notes and the TRIP Master Funding Series 2014-1 Secured Railcar Equipment Notes were issued pursuant to a Master Indenture dated July 6, 2011 between TRIP Master Funding and Wilmington Trust Company, as indenture trustee; 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, 2017, there were $509.6 million outstanding of the Class A-2 TRIP Master Funding Secured Railcar Equipment Notes and $220.7 million of the Class A-2 Series 2014-1 Secured Railcar Equipment Notes.

The TRIP Master Funding Series 2017-1 Secured Railcar Equipment Notes consist of two classes with the Class A-1 notes bearing interest at 2.71% and the Class A-2 notes bearing interest at 3.74%. The TRIP Master Funding Series 2017-1 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, 2017, there were $97.3 million and $134.9 million of Class A-1 and Class A-2 notes outstanding, respectively.

In December 2012, Trinity Rail Leasing 2012 LLC, a Delaware limited liability company ("TRL 2012") and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $145.4 million in aggregate principal amount of Series 2012-1 Class A-1 Secured Railcar Equipment Notes (the "2012 Class A-1 Notes") and $188.4 million in aggregate principal amount of Series 2012-1 Class A-2 Secured Railcar Equipment Notes (the "2012 Class A-2 Notes") and collectively with the 2012 Class A-1 Notes, the "2012 Secured Railcar Equipment Notes," of which $65.8 million and $188.4 million, respectively, were

outstanding as of December 31, 2017. The 2012 Class A-1 Notes bear interest at a fixed rate of 2.27%, are payable monthly, and have a stated final maturity date of January 15, 2043. The 2012 Class A-2 Notes bear interest at a fixed rate of 3.53%, are payable monthly, and have a stated final maturity date of January 15, 2043. In May 2013, TRL 2012 became a subsidiary of one of the Company's partially-owned subsidiaries, RIV 2013. See Note 5 Partially-Owned Leasing Subsidiaries for further explanation. In August 2013, TRL 2012 issued $183.4 million in aggregate principal amount of Series 2013-1 Secured Railcar Equipment Notes of which $148.6 million was outstanding as of December 31, 2017. The 2013-1 Secured Railcar Equipment Notes bear interest at a fixed rate of 3.9%, are payable monthly, and have a stated final maturity date of July 15, 2043.

The 2012 Secured Railcar Equipment Notes and the 2013-1 Secured Railcar Equipment Notes were issued pursuant to a Master Indenture dated December 19, 2012 between TRL 2012 and Wilmington Trust Company, as indenture trustee; are non-recourse to Trinity, TILC, RIV 2013, and the other equity investors in RIV 2013; and are secured by TRL 2012's portfolio of railcars and operating leases thereon, its cash reserves, and all other assets owned by TRL 2012.

TRIP Master Funding and TRL 2012 are wholly-owned subsidiaries of TRIP Holdings and RIV 2013, respectively, which, in turn, are partially-owned subsidiaries of the Company, through its wholly-owned subsidiary, TILC. The Company's combined weighted average ownership interest in TRIP Holdings and RIV 2013 is 38%. See Note 5 Partially-Owned Leasing Subsidiaries for further explanation.

The remaining principal payments under existing debt agreements as of December 31, 2017 are as follows:

	2018	2019	2020	2021	2022	Thereafter
			(in millions)			
Recourse:						
Corporate [1]	$ 0.1	$ 0.1	$ 0.2	$ 0.1	$ —	$ 849.4
Leasing – capital lease obligations (Note 6)	28.3	—	—	—	—	—
Non-recourse – leasing (Note 6):						
2006 secured railcar equipment notes	25.5	28.0	29.8	29.2	29.9	16.1
2009 secured railcar equipment notes	6.4	11.2	6.6	13.4	14.1	114.5
2010 secured railcar equipment notes	10.0	7.6	14.2	20.1	21.0	194.0
2017 Promissory notes	15.1	15.1	15.1	15.1	15.1	218.1
TILC warehouse facility	6.4	1.6	—	—	—	—
Facility termination payments - TILC warehouse facility	—	142.7	—	—	—	—
TRL 2012 secured railcar equipment notes	22.9	21.9	19.3	19.9	19.6	299.2
TRIP Master Funding secured railcar equipment notes	20.0	23.8	32.9	40.4	40.6	804.8
Total principal payments	$ 134.7	$ 252.0	$ 118.1	$ 138.2	$ 140.3	$ 2,496.1

[1] Holders of the Convertible Subordinated Notes may require us to purchase all or a portion of their notes on June 1, 2018. On or after that date, we may redeem all or part of the Convertible Subordinated Notes.

Note 12. Other, Net

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

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Foreign currency exchange transactions	**$ 2.2**	$ 2.4	$ (2.1)
(Gain) loss on equity investments	**(0.2)**	(0.1)	0.1
Other	**1.7**	(3.4)	(3.6)
Other, net	**$ 3.7**	$ (1.1)	$ (5.6)

Other for the years ended December 31, 2017 and 2016 includes $1.7 million in expense and $2.3 million in income, respectively, related to the change in fair value of certain equity instruments.

Note 13. Income Taxes

The components of the provision for income taxes are as follows:

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Current:			
Federal	**$ (11.1)**	$ (130.3)	$ 271.2
State	**0.6**	3.3	19.6
Foreign	**6.3**	7.7	18.6
Total current	**(4.2)**	(119.3)	309.4
Deferred:			
Federal			
Effect of Tax Cuts and Jobs Act	**(476.2)**	—	—
Other	**135.6**	313.0	117.4
	(340.6)	313.0	117.4
State	**4.2**	8.1	(0.3)
Foreign	**(1.0)**	0.3	(0.5)
Total deferred	**(337.4)**	321.4	116.6
Provision	**$ (341.6)**	$ 202.1	$ 426.0

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 before income taxes:

	Year Ended December 31,		
	2017	2016	2015
Statutory rate	**35.0 %**	35.0%	35.0%
Effect of Tax Cuts and Jobs Act	**(128.0)**	—	—
State taxes	**1.3**	1.4	1.2
Domestic production activities deduction	**—**	—	(1.4)
Noncontrolling interest in partially-owned subsidiaries	**(1.0)**	(1.3)	(0.8)
Settlements with tax authorities	**(1.1)**	(0.1)	—
Equity compensation	**0.5**	—	—
Changes in valuation allowances and reserves	**1.8**	0.3	—
Other, net	**(0.3)**	0.4	—
Effective rate	**(91.8)%**	35.7%	34.0%

Our effective tax rate reflects the Company's estimate for 2017 of its state income tax expense, income attributable to the noncontrolling interests in partially-owned leasing subsidiaries for which no income tax expense is provided, excess tax deficiencies related to equity compensation in accordance with ASU 2016-09, and the impact of the completion of income tax audits that resulted in a net tax benefit. See Note 5 Partially-Owned Leasing Subsidiaries for a further explanation of activities with respect to our partially-owned leasing subsidiaries.

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act reduces the U.S. federal corporate income tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign-sourced earnings. As of December 31, 2017, we have completed an initial assessment of the tax effects of the Act, and have made a reasonable estimate of the effects on our existing deferred tax balances. We remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to impact future tax returns. However, we are still analyzing certain aspects of the Act and refining our calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts resulting in adjustments in future periods in 2018. The impact of the Act may differ from our estimate due to changes in the regulations, rulings, guidance, and interpretations issued by the IRS and the FASB as well as interpretations and assumptions made by the Company. For the items for which we were able to determine a reasonable estimate, we recognized a provisional net benefit of $476.2 million for the year ended December 31, 2017, which is included as a component of income tax expense.

Income (loss) before income taxes for the years ended December 31, 2017, 2016, and 2015 was $376.1 million, $573.1 million, and $1,241.1 million, respectively, for U.S. operations, and $(4.1) million, $(6.3) million, and $10.9 million, respectively, for foreign operations, principally Mexico and Canada. The Company provides deferred income taxes on the unrepatriated earnings of its foreign operations where it results in a deferred tax liability.

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. The components of deferred tax liabilities and assets are as follows:

	December 31,	
	2017	2016
	(in millions)	
Deferred tax liabilities:		
Depreciation, depletion, and amortization	**$ 628.0**	$ 919.6
Partially-owned subsidiaries basis difference	**117.2**	171.5
Convertible debt	**93.3**	137.4
Total deferred tax liabilities	**838.5**	1,228.5
Deferred tax assets:		
Workers compensation, pensions, and other benefits	**23.8**	46.7
Warranties and reserves	**7.1**	12.1
Equity items	**32.0**	52.6
Tax loss carryforwards and credits	**33.7**	24.9
Inventory	**17.0**	29.2
Accrued liabilities and other	**10.9**	6.5
Total deferred tax assets	**124.5**	172.0
Net deferred tax liabilities before valuation allowances	**714.0**	1,056.5
Valuation allowances	**12.0**	11.7
Net deferred tax liabilities before reserve for uncertain tax positions	**726.0**	1,068.2
Deferred tax assets included in reserve for uncertain tax positions	**(2.1)**	(11.2)
Adjusted net deferred tax liabilities	**$ 723.9**	$ 1,057.0

At December 31, 2017, the Company had $18.9 million of federal consolidated net operating loss carryforwards and $7.8 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 that we have estimated may not be realizable.

Taxing authority examinations

During the year ended December 31, 2017, the Internal Revenue Service ("IRS") formally closed its audit of the 2006-2009 tax years, and the 2013 tax year. We have adjusted unrecognized tax benefits and deferred tax amounts related to these tax years resulting in a $5.8 million tax benefit. The 2014-2016 tax years have been reviewed by the IRS with no significant adjustments. The 2014-2017 tax years remain open.

We have various subsidiaries in Mexico that file separate tax returns and are subject to examination by taxing authorities at different times. The entities are generally open for their 2010 tax years and forward.

Unrecognized tax benefits

The change in unrecognized tax benefits for the years ended December 31, 2017, 2016, and 2015 was as follows:

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Beginning balance	**$ 28.2**	$ 65.2	$ 62.3
Additions for tax positions related to the current year	**—**	—	5.5
Additions for tax positions of prior years	**4.7**	1.0	—
Reductions for tax positions of prior years	**—**	(26.6)	(0.7)
Settlements	**(23.3)**	(7.1)	(1.9)
Expiration of statute of limitations	**(1.3)**	(4.3)	—
Ending balance	**$ 8.3**	$ 28.2	$ 65.2

Additions for tax positions related to the current year in the amount of $5.5 million for the year ended December 31, 2015, were amounts provided for tax positions that were taken for federal and state income tax purposes when we filed the tax return. Additions for tax positions related to prior years of $4.7 million and $1.0 million for the years ended December 31, 2017 and 2016, respectively, are due to state tax positions.

Reductions for tax positions of prior years of $26.6 million for the year ended December 31, 2016 related primarily to remeasured federal tax positions based upon new information that have been agreed to by the IRS. The corresponding deferred tax assets related to these positions have also been removed. The reduction in tax positions of prior years of $0.7 million for the year ended December 31, 2015 was related to changes to transfer pricing and state taxes.

Settlements during the year ended December 31, 2017 were due to the resolution of our 2006-2009 tax years. Settlements for the year ended December 31, 2016 represent federal tax positions for the 2010-2011 tax years. Expiration of statutes of limitations during the years ended December 31, 2017 and 2016 relate to the 2013 and 2012 federal tax return, respectively, as well as some state statutes. Settlements during the twelve months ended December 31, 2015 were due to a state tax position effectively settled upon audit and a settlement of an audit of one of our Mexican companies.

The total amount of unrecognized tax benefits including interest and penalties at December 31, 2017 and 2016, that would affect the Company's effective tax rate if recognized was $10.2 million and $13.1 million, respectively. There is a reasonable possibility that unrecognized federal and state tax benefits will decrease by $5.2 million by December 31, 2018 due to settlements and lapses in statutes of limitations for assessing tax years in which an extension was not requested by the taxing authority.

Trinity accounts for interest expense and penalties related to income tax issues as income tax expense. Accordingly, interest expense and penalties associated with an uncertain tax position are included in the income tax provision. The total amount of accrued interest and penalties as of December 31, 2017 and 2016 was $4.1 million and $8.9 million, respectively. Income tax expense for the years ended December 31, 2017, 2016, and 2015 included decreases of $4.8 million and $3.5 million and increases of $0.8 million, respectively, with regard to interest expense and penalties related to uncertain tax positions.

Note 14. Employee Retirement Plans

The Company sponsors defined benefit plans and defined contribution profit sharing plans that provide retirement income and death benefits for eligible employees. The annual measurement date of the benefit obligations, fair value of plan assets, and funded status is December 31.

Actuarial assumptions

	Year Ended December 31,		
	2017	**2016**	**2015**
Assumptions used to determine benefit obligations at the annual measurement date were:			
Obligation discount rate	**3.79%**	4.34%	4.79%
Compensation increase rate	**4.00%**	4.00%	4.00%
Assumptions used to determine net periodic benefit costs were:			
Obligation discount rate	**4.34%**	4.79%	4.33%
Long-term rate of return on plan assets	**6.25%**	6.50%	7.00%
Compensation increase rate	**4.00%**	4.00%	4.00%

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 the plans' assets is an assumption reflecting the anticipated weighted average rate of earnings on the portfolio over the long-term. To arrive at this rate, estimates were developed based upon the anticipated performance of the plans' assets. The compensation increase rate 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.

Components of net retirement cost

	Year Ended December 31,		
	2017	**2016**	**2015**
		(in millions)	
Expense Components			
Service cost	**$ 0.2**	$ 0.4	$ 0.5
Interest	**19.6**	20.8	20.0
Expected return on plan assets	**(27.2)**	(27.2)	(30.5)
Amortization of actuarial loss	**4.9**	5.1	5.0
Defined benefit expense	**(2.5)**	(0.9)	(5.0)
Profit sharing	**15.5**	15.2	18.7
Multiemployer plan	**2.1**	2.3	2.4
Net expense	**$ 15.1**	$ 16.6	$ 16.1

The expected return on plan assets is based on the plan assets' fair value. Amortization of actuarial loss is determined using the corridor method. Under the corridor method, unamortized actuarial gains or losses in excess of 10% of the greater of the projected benefit obligation or the fair value of plan assets as of the beginning of the plan year are amortized, for frozen plans, over the average expected remaining lifetime of frozen and inactive participants. Substantially all of the Company's defined benefit plans were frozen as of December 31, 2017.

Obligations and funded status

	Year Ended December 31,	
	2017	2016
	(in millions)	
Accumulated Benefit Obligations	**$ 490.0**	$ 459.6
Projected Benefit Obligations:		
Beginning of year	**$ 459.6**	$ 445.3
Service cost	**0.2**	0.4
Interest	**19.6**	20.8
Benefits paid	**(19.9)**	(18.1)
Actuarial loss	**30.5**	11.2
End of year	**$ 490.0**	$ 459.6
Plans' Assets:		
Beginning of year	**$ 442.5**	$ 422.8
Actual return on assets	**62.9**	33.1
Employer contributions	**2.5**	4.7
Benefits paid	**(19.9)**	(18.1)
End of year	**$ 488.0**	$ 442.5
Consolidated Balance Sheet Components:		
Other assets	**$ 13.1**	$ 5.1
Accrued liabilities	**(15.1)**	(22.2)
Net funded status	**$ (2.0)**	$ (17.1)
Percent of projected benefit obligations funded	**99.6%**	96.3%

None of the plans' assets are expected to be returned to us during the year ending December 31, 2018.

Amounts recognized in other comprehensive income (loss)

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Actuarial gain (loss)	**$ 5.2**	$ (5.3)	$ (9.4)
Amortization of actuarial loss	**4.9**	5.1	5.0
Total before income taxes	**10.1**	(0.2)	(4.4)
Income tax expense (benefit)	**3.1**	(0.1)	(1.6)
Net amount recognized in other comprehensive income (loss)	**$ 7.0**	$ (0.1)	$ (2.8)

At December 31, 2017 AOCL included unrecognized actuarial losses of $132.6 million ($82.7 million net of related income taxes). Actuarial losses included in AOCL and expected to be recognized in net periodic pension cost for the year ended December 31, 2018 are $4.5 million ($3.4 million net of related income taxes).

Plan assets

The Company's pension plan investment strategies have been developed as part of a comprehensive asset/liability management process that considers the relationship between both the assets and liabilities of the plans for the purpose of providing the capital assets necessary to meet the financial obligations made to participants of the Company's pension plans. These strategies consider not only the expected risk and returns on the plans' assets, but also the actuarial projections of liabilities, projected contributions, and funded status. The Company's investment policy statement allocates its pension plan assets into two portfolios as follows:

- Liability hedging portfolio - The objective of the liability hedging portfolio is to match the characteristics of the pension plans' liabilities. This portfolio consists primarily of investment grade long duration bonds.
- Growth portfolio - The objective of the growth portfolio is to focus upon total return with an acceptable level of risk. This portfolio is heavily weighted toward U.S. equities with a lesser exposure to international equities, domestic real estate investment trusts, U.S. high yield and emerging market sovereign debt.

The target allocation between these two portfolios varies on a sliding scale based on the pension plans' percentage of projected benefit obligations funded ("Funding Percentage"), beginning with a 50%/50% target allocation at a Funding Percentage of less than 100% and increasing to a 100% liability hedging portfolio target allocation at a Funding Percentage exceeding 110%. The range of target asset allocations has been determined after giving consideration to the expected returns of each asset category within the two portfolios, the expected performance of each asset category, the volatility of asset returns over time, and the complementary nature of the asset mix within the portfolio. The principal pension investment strategies include asset allocation and active asset management within approved guidelines. These assets are managed by an investment advisor.

The target and actual allocations of the plans' assets at December 31, 2017 are as follows:

	Target Allocation	December 31, 2017
Cash and cash equivalents	—%	2%
Liability hedging portfolio	50%	44%
Growth portfolio	50%	54%
Total	100%	100%

The estimated fair value of the plans' assets at December 31, 2017 and 2016, indicating input levels used to determine fair value are as follows:

	Fair Value Measurement as of December 31, 2017 (in millions)			
	Level 1	**Level 2**	**Level 3**	**Total**
Temporary cash investments	**$ 7.3**	**$ —**	**$ —**	**$ 7.3**
Debt common trust funds	**—**	**292.8**	**—**	**292.8**
Equity common trust funds	**—**	**187.9**	**—**	**187.9**
	$ 7.3	**$ 480.7**	**$ —**	**$ 488.0**

	Fair Value Measurement as of December 31, 2016 (in millions)			
	Level 1	**Level 2**	**Level 3**	**Total**
Temporary cash investments	$ 5.9	$ —	$ —	$ 5.9
Debt common trust funds	—	277.2	—	277.2
Equity common trust funds	—	159.4	—	159.4
	$ 5.9	$ 436.6	$ —	$ 442.5

The pension plans' assets are valued at fair value. The following is a description of the valuation methodologies used in determining fair value, including the general classification of such instruments pursuant to the valuation hierarchy as described further in Note 3 Fair Value Accounting:

Temporary cash investments - These investments consist of U.S. dollars held in master trust accounts with the trustee. These temporary cash investments are classified as Level 1 instruments.

Common trust funds - Common trust funds are comprised of shares or units in commingled funds that are not publicly traded. The underlying assets in these funds are publicly traded on exchanges and price quotes for the assets held by these funds are readily available. Holdings of common trust funds are classified as Level 2 investments.

Multiemployer plan

As a result of the acquisition of Meyer Steel Structures, 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. The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to a multiemployer plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Company chooses to stop participating in the multiemployer plan, the Company may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Our participation in the multiemployer plan for the year ended December 31, 2017 is outlined in the table below. The Pension Protection Act ("PPA") zone status at December 31, 2017 and 2016 is as of the plan years ended December 31, 2016 and 2015, respectively, and is obtained from the multiemployer plan's regulatory filings available in the public domain and certified by the plan's actuary. Among other factors, plans in the yellow zone are less than 80% funded while plans in the red zone are less than 65% funded. Federal law requires that plans classified in the yellow or red zones adopt a funding improvement plan in order to improve the financial health of the plan. The plan utilized an amortization extension and the funding relief provided under the Internal Revenue Code and under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act in determining the zone status. The Company's contributions to the multiemployer plan were less than 5% of total contributions to the plan. The last column in the table lists the expiration date of the collective bargaining agreement to which the plan is subject.

		PPA Zone Status			Contributions for Year Ended December 31,				
Pension Fund	Employer Identification Number	2017	2016	Financial improvement plan status	2017	2016	2015	Surcharge imposed	Expiration date of collective bargaining agreement
					(in millions)				
Boilermaker-Blacksmith National Pension Trust ...	48-6168020	Yellow	Yellow	Implemented	$ 1.9	$ 2.3	$ 2.5	No	July 3, 2019

Cash flows

Employer contributions for the year ending December 31, 2018 are expected to be $18.4 million for the defined benefit plans compared to $2.5 million contributed during 2017. Employer contributions to the 401(k) plan and the Supplemental Profit Sharing Plan for the year ending December 31, 2018 are expected to be $15.2 million compared to $15.5 million contributed during 2017. Employer contributions for the year ending December 31, 2018 are expected to be $2.0 million for the multiemployer plan compared to $1.9 million contributed during 2017.

Benefit payments for the Company's defined benefit plans expected to be paid during the next ten years are as follows:

	Year Ending December 31,
	(in millions)
2018	$ 21.6
2019	23.5
2020	24.4
2021	25.3
2022	26.3
2023-2027	141.9

Participants in the 401(k) plan are eligible to receive future retirement benefits through a company-funded annual retirement contribution provided through the Profit Sharing Plan for Employees of Trinity Industries, Inc. and Certain Affiliates. The contribution ranges from one to three percent of eligible compensation based on service. Both the annual retirement contribution and the company matching contribution are discretionary, requiring board approval, and are made annually with the investment of the funds directed by the participants.

Note 15. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss for the twelve months ended December 31, 2017, 2016, and 2015 are as follows:

	Currency translation adjustments	Unrealized loss on derivative financial instruments	Net actuarial gains/(losses) of defined benefit plans	Accumulated Other Comprehensive Loss
		(in millions)		
Balances at December 31, 2014	$ (18.5)	$ (6.6)	$ (86.8)	$ (111.9)
Other comprehensive loss, net of tax, before reclassifications	(6.0)	(0.7)	(6.0)	(12.7)
Amounts reclassified from accumulated other comprehensive loss, net of tax benefit of $-, $3.4, $1.8, and $5.2	—	9.0	3.2	12.2
Less: noncontrolling interest	—	(3.0)	—	(3.0)
Other comprehensive income (loss)	(6.0)	5.3	(2.8)	(3.5)
Balances at December 31, 2015	(24.5)	(1.3)	(89.6)	(115.4)
Other comprehensive income (loss), net of tax, before reclassifications	0.8	(0.3)	(3.3)	(2.8)
Amounts reclassified from accumulated other comprehensive loss, net of tax benefit of $-, $0.7, $1.9, and $2.6	—	4.6	3.2	7.8
Less: noncontrolling interest	—	(3.1)	—	(3.1)
Other comprehensive income (loss)	0.8	1.2	(0.1)	1.9
Balances at December 31, 2016	(23.7)	(0.1)	(89.7)	(113.5)
Other comprehensive income (loss), net of tax, before reclassifications	1.3	(0.9)	3.6	4.0
Amounts reclassified from accumulated other comprehensive loss, net of tax benefit of $-, $0.7, $1.5, and $2.2	—	3.9	3.4	7.3
Less: noncontrolling interest	—	(2.6)	—	(2.6)
Other comprehensive income	1.3	0.4	7.0	8.7
Balances at December 31, 2017	$ (22.4)	$ 0.3	$ (82.7)	$ (104.8)

See Note 7 Derivative Instruments for information on the reclassification of amounts in accumulated other comprehensive loss into earnings. Reclassifications of unrealized before-tax losses on derivative financial instruments are included in interest expense in the consolidated statements of operations. Approximately $3.7 million, $4.1 million, and $4.2 million of the before-tax reclassification of net actuarial gains/(losses) of defined benefit plans are included in cost of revenues with the remainder included in selling, engineering, and administrative expenses in the consolidated statements of operations for the years ended December 31, 2017, 2016, and 2015, respectively.

Note 16. Stock-Based Compensation

The Company's 2004 Fourth Amended and Restated Stock Option and Incentive Plan (the "Plan”) provides for awarding 20,150,000 (adjusted for stock splits) shares of common stock plus (i) shares covered by forfeited, expired, and canceled options granted under prior plans; and (ii) shares tendered as full or partial payment for the purchase price of an award or to satisfy tax withholding obligations. At December 31, 2017, a total of 3,536,418 shares were available for issuance. The Plan provides for the granting of nonqualified and incentive stock options having maximum ten-year terms to purchase common stock at its market value on the award date; stock appreciation rights based on common stock fair market values with settlement in common stock or cash; restricted stock awards; restricted stock units; and performance awards with settlement in common stock or cash on achievement of specific business objectives. Options become exercisable in various percentages over periods ranging up to five years.

The cost of employee services received in exchange for awards of equity instruments is referred to as share-based payments and is based on the grant date fair-value of those awards. Stock-based compensation includes compensation expense, recognized over the applicable vesting periods, for share-based awards. The Company uses the Black-Scholes-Merton option pricing model to determine the fair value of stock options granted to employees. Stock-based compensation totaled $33.6 million, $41.3 million, and $61.1 million for the years ended December 31, 2017, 2016, and 2015, respectively.

The income tax benefit related to stock-based compensation expense was $19.0 million, $18.0 million, and $28.5 million for the years ended December 31, 2017, 2016, and 2015, respectively.

Stock options

Expense related to stock options issued to eligible employees under the Plan is recognized over their vesting period on a straight-line basis. Stock options generally vest over five years and have contractual terms of ten years. All options outstanding at December 31, 2017 and December 31, 2016 were exercisable.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (Years)	Aggregate Intrinsic Value
				(in millions)
Options outstanding at December 31, 2016	**60,793**	**$ 8.12**	**1.9**	**$1.2**
Granted	—	—		
Exercised	**(26,450)**	**8.12**		
Cancelled	—	—		
Options outstanding at December 31, 2017	**34,343**	**$ 8.12**	**0.9**	**$1.0**

At December 31, 2017, there was no unrecognized compensation expense related to stock options. The intrinsic value of options exercised totaled $0.5 million, zero, and $0.7 million during the years ended December 31, 2017, 2016, and 2015, respectively.

Restricted stock

Restricted share awards consist of restricted stock, restricted stock units, and performance units. Restricted stock and restricted stock units generally vest for periods ranging from one to fifteen years from the date of grant. Certain restricted stock and restricted stock units vest in their entirety upon the employee's retirement from the Company, taking into consideration the employee's age and years of service to the Company, as defined more specifically in the Company's benefit plans. Restricted stock and restricted stock units granted to non-employee directors under the Plan generally vest one year from the grant date and are released at that time or upon completion of the directors' service to the Company. Expense related to restricted stock and restricted stock units issued to eligible employees under the Plan is recognized ratably over the vesting period or to the date on which retirement eligibility is achieved, if shorter. Performance units are granted to employees based upon a target level; however, depending upon the achievement of certain specified goals during the performance period, performance units may be adjusted to a level ranging between 0% and 200% of the target level. The performance units vest upon certification by the Human Resources Committee of the Board of Directors of the achievement of the specified performance goals. Expense related to performance units is recognized ratably from their award date to the end of the performance period, generally three years. Forfeitures are recognized as reduction to expense in the period in which they occur.

	Number of Restricted Share Awards	Weighted Average Grant-Date Fair Value per Award
Restricted share awards outstanding at December 31, 2016	**6,749,083**	**$ 22.35**
Granted	**2,060,027**	**28.87**
Vested	**(1,840,119)**	**31.09**
Forfeited	**(158,610)**	**24.27**
Restricted share awards outstanding at December 31, 2017	**6,810,381**	**$ 21.91**

At December 31, 2017, unrecognized compensation expense related to restricted share awards totaled $70.2 million which will be recognized over a weighted average period of 4.2 years. The total vesting-date fair value of shares vested and released during the years ended December 31, 2017, 2016, and 2015 was $50.2 million, $47.0 million, and $76.9 million, respectively. The weighted average grant-date fair value of restricted share awards granted during the years ended December 31, 2017, 2016, and 2015 was $28.87, $19.06, and $24.31 per share, respectively.

Note 17. Earnings Per Common Share

Basic net income attributable to Trinity Industries, Inc. per common share is computed by dividing net income attributable to Trinity remaining after allocation to unvested restricted shares by the weighted average number of basic common shares outstanding for the period. Except when the effect would be antidilutive, the calculation of diluted net income attributable to Trinity per common share includes 1) the net impact of unvested restricted shares and shares that could be issued under outstanding stock options and 2) the incremental shares calculated by dividing the value of the conversion obligation in excess of the Convertible Subordinated Notes' aggregate principal amount by the average price of the Company's common stock during the period. See Note 11 Debt for further explanation of the Company's Convertible Subordinated Notes. Total weighted average restricted shares and antidilutive stock options were 6.4 million shares, 6.6 million shares, and 6.8 million shares, for the years ended December 31, 2017, 2016, and 2015, respectively.

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

	Year Ended December 31, 2017		
	(in millions, except per share amounts)		
	Income (Loss)	Average Shares	EPS
Net income attributable to Trinity Industries, Inc.	$ 702.5		
Unvested restricted share participation	(15.4)		
Net income attributable to Trinity Industries, Inc. – basic	687.1	148.6	$ 4.62
Effect of dilutive securities:			
Nonparticipating unvested restricted shares and stock options	—	0.5	
Convertible subordinated notes	0.3	2.9	
Net income attributable to Trinity Industries, Inc. – diluted	$ 687.4	152.0	$ 4.52

	Year Ended December 31, 2016		
	(in millions, except per share amounts)		
	Income (Loss)	Average Shares	EPS
Net income attributable to Trinity Industries, Inc.	$ 343.6		
Unvested restricted share participation	(9.4)		
Net income attributable to Trinity Industries, Inc. – basic	334.2	148.4	$ 2.25
Effect of dilutive securities:			
Nonparticipating unvested restricted shares and stock options	—	—	
Convertible subordinated notes	—	0.2	
Net income attributable to Trinity Industries, Inc. – diluted	$ 334.2	148.6	$ 2.25

	Year Ended December 31, 2015		
	(in millions, except per share amounts)		
	Income (Loss)	Average Shares	EPS
Net income attributable to Trinity Industries, Inc.	$ 796.5		
Unvested restricted share participation	(24.1)		
Net income attributable to Trinity Industries, Inc. – basic	772.4	150.2	$ 5.14
Effect of dilutive securities:			
Nonparticipating unvested restricted shares and stock options	—	—	
Convertible subordinated notes	0.3	2.0	
Net income attributable to Trinity Industries, Inc. – diluted	$ 772.7	152.2	$ 5.08

Note 18. Commitments and Contingencies

Highway products litigation

We previously reported the filing of a False Claims Act ("FCA") complaint in the United States District Court for the Eastern District of Texas, Marshall Division ("District Court") styled Joshua Harman, on behalf of the United States of America, Plaintiff/ Relator v. Trinity Industries, Inc., Defendant, Case No. 2:12-cv-00089-JRG (E.D. Tex.). In this case, in which the U.S. Government declined to intervene, the relator, Mr. Joshua Harman, alleged the Company violated the FCA pertaining to sales of the Company's ET-Plus® System, a highway guardrail end-terminal system ("ET Plus"). On October 20, 2014, a trial in this case concluded with a jury verdict stating that the Company and its subsidiary, Trinity Highway Products, LLC ("Trinity Highway Products"), "knowingly made, used or caused to be made or used, a false record or statement material to a false or fraudulent claim" and awarding $175.0 million in damages. Following unsuccessful settlement negotiations to resolve this dispute and the District Court's denial of the Company's post-verdict motion for judgment as a matter of law, on June 9, 2015 the District Court entered judgment on the verdict in the total amount of $682.4 million, comprised of $175.0 million in damages, which amount is automatically trebled under the FCA to $525.0 million plus $138.4 million in civil penalties and $19.0 million in costs and attorneys' fees.

On June 23, 2015, the District Court approved the Company's posting of a supersedeas bond in the amount of $686.0 million (the "Bond") and ordered a stay of the execution of the District Court's June 9, 2015 entry of judgment of $682.4 million against the Company pending resolution of all appeals. The Company obtained the Bond on an unsecured basis and the annual premium was $3.7 million. On January 29, 2018, the District Court released the Bond.

On July 7, 2015, the Company filed a Motion for New Trial with the District Court and on August 3, 2015, the Motion was denied. On August 28, 2015, the Company filed a Notice of Appeal to the United States Court of Appeals for the Fifth Circuit ("Fifth Circuit"). On March 21, 2016, the Company filed its opening appellate brief. On March 28, 2016, six separate *amicus curiae* briefs were filed in the Fifth Circuit by the following organizations and individuals in support of Trinity's appeal seeking a reversal of the judgment: (i) Eleven states - Texas, Alabama, Arkansas, Colorado, Indiana, Louisiana, Nevada, Oklahoma, South Carolina, Utah and Wisconsin; (ii) the National Association of Manufacturers, United States Chamber of Commerce, and the American Tort Reform Association; (iii) five former United States Department of Justice Officials; (iv) Mothers Against Drunk Driving; (v) the Cato Institute; and (vi) the Washington Legal Foundation. On June 9, 2016, Mr. Harman filed his responsive appeal brief in the Fifth Circuit. On June 16, 2016, six *amicus curiae* briefs were filed in the Fifth Circuit by several organizations and individuals in support of Mr. Harman's opposition to the Company's appeal. On July 21, 2016, the Company filed its reply brief in this matter and on December 7, 2016, the Fifth Circuit heard the parties' oral arguments.

On September 29, 2017, the Fifth Circuit panel unanimously reversed the District Court's $682.4 million judgment and rendered judgment as a matter of law in favor of the Company and Trinity Highway Products. On October 27, 2017, Mr. Harman filed a Petition for Rehearing En Banc in the Fifth Circuit, which was denied by the Fifth Circuit on November 14, 2017. On February 12, 2018, the relator, Mr. Joshua Harman, filed a petition for certiorari with the United States Supreme Court, seeking a review of the Fifth Circuit's decision.

Texas A&M Transportation Institute ("TTI"), a member of The Texas A&M University System, designed the technology employed in the ET Plus. The Texas A&M University System is the owner of patents issued by the U.S. Patent Office that cover the ET Plus. Trinity Highway Products manufactures and markets the ET Plus pursuant to an exclusive license granted by The Texas A&M University System. In 2005, Trinity Highway Products contracted with TTI to conduct crash testing of the ET Plus to demonstrate compliance with the governing crash test criteria set out in National Cooperative Highway Research Program Report 350 ("Report 350"). Following the 2005 crash testing, TTI prepared and provided to Trinity Highway Products the test report on the crash test performance of the ET Plus. This report was reviewed by the Federal Highway Administration (the "FHWA") in their 2005 acceptance of the product for use on the national highway system and determination of the product's eligibility for federal-aid reimbursement. In a memorandum dated June 17, 2014, the FHWA confirmed that "The Trinity ET Plus with 4-inch guide channels became eligible for federal-aid reimbursement under FHWA letter CC-94 on September 2, 2005. In addition, the device is eligible for reimbursement under FHWA letters CC-94A and CC-120." In this memorandum the FHWA confirmed that the reimbursement eligibility applies at guardrail heights from 27 ¾" to 31". The memorandum goes on to state that an "unbroken chain of eligibility for federal-aid reimbursement has existed since September 2, 2005 and the ET Plus continues to be eligible today."

Preceding the October 2014 trial in this matter, the Company filed a Petition for Writ of Mandamus with the Fifth Circuit based, in part, on the District Court's failure to apply precedential case law. The Fifth Circuit denied this petition, but expressed concern regarding the District Court's failure to issue a reasoned ruling rejecting the Company's prior motions for judgment as a matter of law. The Fifth Circuit also stated that the FHWA's authoritative memorandum of June 17, 2014 appears to compel the conclusion that the FHWA, after due consideration of all the facts, found the ET Plus sufficiently compliant with federal safety standards and therefore fully eligible, in the past, present and future, for federal-aid reimbursement claims. Additionally, the Fifth Circuit noted that a strong argument could be made that the Company's actions were neither material nor were any false claims based on false certifications presented to the government.

Crash testing and FHWA assessments

Following the October 20, 2014 jury verdict, the FHWA requested that the Company conduct eight separate crash tests pursuant to crash test criteria set out in Report 350. Due to the FHWA's request for additional ET Plus crash tests, on October 24, 2014 the Company announced that it would suspend shipment of the ET Plus to customers. The FHWA-requested tests were conducted in December 2014 and January 2015 at Southwest Research Institute, an FHWA-approved and independent research facility. Following completion of the first four tests at a 27 ¾" guardrail installation height, and again after completion of the second four tests at a 31" guardrail installation height, the FHWA reported that the ET Plus passed all tests. Performance results from eight successful crash tests validate Trinity Highway Products' long standing position that the ET Plus performs as tested for both guardrail installation heights when properly installed and maintained. On March 11, 2015, the FHWA and the American Association of State Highway and Transportation Officials ("AASHTO") released the findings of a joint task force ("Task Force I"), comprised of representatives from the FHWA, AASHTO, the state Departments of Transportation of South Dakota, New Hampshire, Missouri, Ohio, Delaware, and Wyoming, and the Ministry of Transportation of Ontario, Canada, that evaluated field measurement data collected by FHWA engineers from more than 1,000 4-inch ET Plus devices installed on roadways throughout the country. Task Force I concluded there is no evidence to suggest that there are multiple versions of the 4-inch ET Plus on the nation's roadways. Task Force I also concluded that the ET Plus end terminals crash tested at Southwest Research Institute in December 2014 and January 2015 were representative of the devices installed across the country.

The FHWA and AASHTO formed a second joint task force ("Task Force II") comprised of representatives from the FHWA, AASHTO, the state Departments of Transportation of Iowa, Georgia, New Hampshire, North Carolina, New York, Michigan, Missouri, Delaware, and Utah, and independent experts to further evaluate the in-service performance of the ET Plus and other guardrail end terminals through the collection and analysis of a broad array of data. In a report dated September 11, 2015, the FHWA and AASHTO released the findings, conclusions, and recommendations of Task Force II, including but not limited to, the following: there are no performance limitations unique to the ET Plus; there will be real-world accident conditions that exceed the performance expectations of all manufacturers' guardrail end terminal systems; and additional crash testing of all existing Report 350 compliant guardrail end terminals, including the ET Plus, "would not be informative" and "would be irrelevant".

Further appellate review would continue to result in legal expenses that are expensed as incurred. We remain confident in the performance of the product at issue in this matter, and we maintain that the allegations in the case are baseless and without merit.

Based on information currently available to the Company, including, but not limited to the significance of the successful completion of eight post-verdict crash tests of the ET Plus, the favorable findings and conclusions published by both Task Force I and II regarding ET Plus end terminal systems installed on the nation's roadways, the Fifth Circuit's unanimous panel opinion reversing the $682.4 million judgment and rendering judgment in favor of the Company, and the Fifth Circuit's subsequent denial of Mr. Harman's Petition for Rehearing En Banc, we do not believe that a loss is probable in this matter, therefore no accrual has been included in the accompanying consolidated financial statements.

Revenues from sales of the ET Plus, included in the Construction Products Group, totaled approximately $4.2 million and $4.1 million for the years ended December 31, 2017 and 2016, respectively.

State, county, and municipal actions

Trinity is aware of 29 states and the District of Columbia that have removed the ET Plus from their respective qualified products list.

Mr. Harman has also filed twelve separate state qui tam actions pursuant to: the Virginia Fraud Against Taxpayers Act (Commonwealth of Virginia ex rel. Joshua M. Harman v. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. CL13-698, in the Circuit Court, Richmond, Virginia); the Indiana False Claims and Whistleblower Protection Act (State of Indiana ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 49D06-1407-PL-024117, in the Sixth Court of Marion County, Indiana); the Delaware False Claims and Reporting Act (State of Delaware ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Civ. No. N14C-06-227 MMJ CCLD, in the Superior Court of the State of Delaware In and For New Castle County); the Iowa False Claims Act (State of Iowa ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. CVCV048309, in the Iowa District Court for Polk County); the Rhode Island False Claims Act (State of Rhode Island ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 14-3498, in the Superior Court for the State of Rhode Island and Providence Plantations); the Tennessee False Claims Act (State of Tennessee ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 14C2652, in the Circuit Court for Davidson County, Tennessee); the Minnesota False Claims Act (State of Minnesota ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 62-CV-14-3457, in the Second Judicial District Court, Ramsey County, Minnesota); the Montana False Claims Act (State of Montana ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. DV 14-0692, in the Montana Thirteenth Judicial District Court for Yellowstone County); the Georgia Taxpayer Protection False Claims Act (State of Georgia ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 1:15-CV-1260, in the U.S. District Court for the Northern District of Georgia); and the Florida False Claims Act (State of Florida ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 2014-CA-000596, in the Circuit Court

of the Second Judicial Circuit in and for Leon County, Florida); the Illinois False Claims Act (State of Illinois ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. 2014 L 000098, in the Circuit Court for the Sixth Judicial District, Sangamon County, Illinois); and the Massachusetts False Claims Act (Commonwealth of Massachusetts ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. 1484-CV-02364, in the Superior Court Department of the Trial Court). In each of these twelve cases Mr. Harman is alleging the Company violated the respective states' false claims act pertaining to sales of the ET Plus, and he is seeking damages, civil penalties, attorneys' fees, costs and interest. Also, the respective states' Attorneys General filed Notices of Election to Decline Intervention in all of these matters, with the exception of the Commonwealth of Virginia Attorney General who intervened in the Virginia matter. At this time all of the above-referenced state qui tam cases, with the exception of the Massachusetts and Illinois cases, are currently stayed.

The Company believes these state qui tam lawsuits are without merit and intends to vigorously defend all allegations. Other states could take similar or different actions, and could be considering similar state false claims or other litigation against the Company.

The Company was served in a lawsuit filed November 26, 2014, titled Hamilton County, Illinois and Macon County, Illinois, Individually and on behalf of all Other Counties in the State of Illinois vs. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. 3:14-cv-1320 (Southern District of Illinois). This complaint was later amended to substitute St. Clair County, Illinois for Hamilton County as a lead plaintiff and to expand the proposed class. The case was brought by plaintiffs for and on behalf of themselves and the other 101 counties of the State of Illinois and on behalf of cities, villages, incorporated towns, and township governments of the State of Illinois. The plaintiffs alleged that the Company and Trinity Highway Products made a series of un-tested modifications to the ET Plus and falsely certified that the modified ET Plus was acceptable for use on the nation's highways based on federal testing standards and approval for federal-aid reimbursement. The plaintiffs also alleged breach of implied warranties, violation of the Illinois Uniform Deceptive Trade Practices Act and unjust enrichment, for which plaintiffs sought actual damages related to purchases of the ET Plus, compensatory damages for establishing a common fund for class members, punitive damages, attorneys' fees and costs, and injunctive relief. On September 1, 2017, plaintiffs St. Clair County and Macon County, Illinois voluntarily dismissed this lawsuit with prejudice and without receiving any payment by the Company in connection therewith.

There are two class action lawsuits involving claims pertaining to the ET Plus that are currently pending. The Company has been served in a lawsuit filed February 11, 2015, titled The Corporation of the City of Stratford and Trinity Industries, Inc., Trinity Highway Products, LLC, and Trinity Industries Canada, Inc., Case No. 15-2622 CP, pending in Ontario Superior Court of Justice. The alleged class in this matter has been identified as persons in Canada who purchased and/or used an ET Plus guardrail end terminal. The plaintiff alleges that Trinity Industries, Inc., Trinity Highway Products, LLC, and Trinity Industries Canada, Inc., failed to warn of dangers associated with undisclosed modifications to the ET Plus guardrail end terminals, breached an implied warranty, breached a duty of care, and were negligent. The plaintiff is seeking $400.0 million in compensatory damages and $100.0 million in punitive damages. Alternatively, the plaintiff claims the right to an accounting or other restitution remedy for disgorgement of the revenues generated by the sale of the modified ET Plus in Canada.

The Company has been served in a lawsuit filed November 5, 2015, titled Jackson County, Missouri, individually and on behalf of a class of others similarly situated vs. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. 1516-CV23684 (Circuit Court of Jackson County, Missouri). The case is being brought by plaintiff for and on behalf of itself and all Missouri counties with a population of 10,000 or more persons, including the City of St. Louis, and the State of Missouri's transportation authority. The plaintiff alleges that the Company and Trinity Highway Products did not disclose design changes to the ET Plus and these allegedly undisclosed design changes made the ET Plus allegedly defective, unsafe, and unreasonably dangerous. The plaintiff alleges product liability negligence, product liability strict liability, and negligently supplying dangerous instrumentality for supplier's business purposes. The plaintiff seeks compensatory damages, interest, attorneys' fees and costs, and in the alternative plaintiff seeks a declaratory judgment that the ET Plus is defective, the Company's conduct was unlawful, and class-wide costs and expenses associated with removing and replacing the ET Plus throughout Missouri. On December 6, 2017, the Court granted plaintiff's Motion for Class Certification, certifying a class of Missouri counties with populations of 10,000 or more persons, including the City of St. Louis and the State of Missouri's transportation authority that have or had ET Plus guardrail end terminals with 4-inch wide guide channels installed on roadways they own or maintain. On December 18, 2017, the Company and Trinity Highway Products filed a petition for permission to appeal the Order of Class Certification in the Missouri Court of Appeals for the Western District. On December 20, 2017, the Court of Jackson County, Missouri stayed the underlying matter pending final resolution of the appeal.

The Company believes each of these pending county and municipal class action lawsuits is without merit and intends to vigorously defend all allegations. While the financial impacts of these two county and municipal class action lawsuits are currently unknown, they could be material.

Based on the information currently available to the Company, we currently do not believe that a loss is probable in any one or more of the actions described under "State, county, and municipal actions," therefore no accrual has been included in the

accompanying consolidated financial statements. Because of the complexity of these actions as well as the current status of certain of these actions, we are not able to estimate a range of possible losses with respect to any one or more of these actions.

Product liability cases

The Company is currently defending a number of product liability lawsuits in several different states that are alleged to involve the ET Plus as well as other products manufactured by Trinity Highway Products. These cases are diverse in light of the randomness of collisions in general and the fact that each accident involving a roadside device such as an end terminal, or any other fixed object along the highway has its own unique facts and circumstances. Report 350 recognizes that performance of even the most carefully researched and tested roadside device is subject to physical laws and the crash worthiness of vehicles. The Company believes the District Court judgment in the FCA case, coupled with the media attention such judgment generated, caused the plaintiff's bar to seek out individuals involved in collisions with a Trinity Highway Products manufactured product as potential clients, which resulted in additional product liability lawsuits being filed against the Company. The Company carries general liability insurance to mitigate the impact of adverse judgment exposures in these product liability cases. To the extent that the Company believes that a loss is probable with respect to these product liability cases, the accrual for such losses is included in the amounts described below under "Other matters".

Shareholder class actions

On January 11, 2016, the previously reported cases styled Thomas Nemky, Individually and On Behalf of All Other Similarly Situated v. Trinity Industries, Inc., Timothy R. Wallace, and James E. Perry, Case No. (2:15-CV-00732) ("Nemky") and Richard J. Isolde, Individually and On Behalf of All Other Similarly Situated v. Trinity Industries, Inc., Timothy R. Wallace, and James E. Perry, Case No. (3:15-CV-2093) ("Isolde"), were consolidated in the District Court for the Northern District of Texas, with all future filings to be filed in the Isolde case. On March 9, 2016, the Court appointed the Department of the Treasury of the State of New Jersey and its Division of Investment and the Plumbers and Pipefitters National Pension Fund and United Association Local Union Officers & Employees' Pension Fund as co-lead plaintiffs ("Lead Plaintiffs). On May 11, 2016, the Lead Plaintiffs filed their Consolidated Complaint alleging defendants Trinity Industries, Inc., Timothy R. Wallace, James E. Perry, and Gregory B. Mitchell violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and defendants Mr. Wallace and Mr. Perry violated Section 20(a) of the Securities Exchange Act of 1934 by making materially false and misleading statements and/or by failing to disclose material facts about Trinity's ET Plus and the FCA case styled Joshua Harman, on behalf of the United States of America, Plaintiff/Relator v. Trinity Industries, Inc., Defendant, Case No. 2:12-cv-00089-JRG (E.D. Tex.). On August 18, 2016, Trinity, Mr. Wallace, Mr. Perry, and Mr. Mitchell filed motions to dismiss Lead Plaintiffs Consolidated Complaint, which remain pending. On March 13, 2017, the Court granted defendant's motion to stay and administratively close proceedings pending Fifth Circuit appeal. The Isolde matter is stayed and remains administratively closed pending the conclusion of any appeal in the Joshua Harman FCA case.

Trinity, Mr. Wallace, Mr. Perry, and Mr. Mitchell deny and intend to vigorously defend against the allegations in the Isolde case. Based on the information available to the Company, we currently do not believe that a loss is probable with respect to this shareholder class action; therefore no accrual has been included in the accompanying consolidated financial statements. Because of the complexity of these actions as well as the current status of certain of these actions, we are not able to estimate a range of possible losses with respect to these matters.

Stockholder books and records requests

The Company has received multiple requests from stockholders pursuant to the Delaware General Corporation Law to review certain of the Company's books and records related to the ET Plus and the FCA case styled Joshua Harman, on behalf of the United States of America, Plaintiff/Relator v. Trinity Industries, Inc., Defendant, Case No. 2:12-cv-00089-JRG (E.D. Tex.). The stockholders' stated purpose for seeking access to the Company's books and records is to investigate the possibility of whether the directors or officers of the Company committed breaches of fiduciary duty or other wrongdoing. In accordance with the Company's obligations under the Delaware law when such requests are properly filed, the Company has provided books and records to some of those stockholders.

Stockholder derivative complaints

On July 25, 2017, the previously reported cases styled Bessent v. Wallace, et. al., Case No. 2017-0223, and Campi v. Wallace, et. al. Case No. 2017-0474-SG, both in the Court of Chancery of the State of Delaware, were consolidated in the Court of Chancery of the State of Delaware, with all future filings to be filed in Case No. 2017-0223-AG with the caption In re Trinity Industries, Inc. Stockholder Derivative Litigation ("Stockholder Derivative Litigation"). On August 18, 2017, Plaintiffs filed their Verified Consolidated Amended Stockholder Derivative Complaint. The Stockholder Derivative Litigation was brought by purported stockholders of the Company derivatively on behalf of nominal defendants Trinity Industries, Inc. and Trinity Highway Products, LLC, against the Company's directors and certain officers. Plaintiffs alleged the individual defendants breached their fiduciary duties in connection with Trinity's ET Plus and the FCA case styled Joshua Harman, on behalf of the United States of America, Plaintiff/Relator v. Trinity Industries, Inc., Defendant, Case No. 2:12-cv-00089-JRG (E.D. Tex.) and that certain defendants made improper sales of Company stock. Plaintiffs sought a declaration that they may maintain this derivative action on behalf of the

Company and that they are the adequate representatives of the Company, a declaration that the individual defendants breached their fiduciary duties, awarding the Company damages as a result of the alleged breaches of fiduciary duties, awarding restitution, disgorgement of individual defendants' profits, benefits, and other compensation, certain injunctive relief, costs and fees, and interest. The director and officer defendants have moved to dismiss the Verified Consolidated Amended Stockholder Derivative Complaint. On October 30, 2017, Plaintiffs voluntarily dismissed the Stockholder Derivative Litigation without prejudice and without being paid any compensation by the defendants.

Other matters

The Company is involved in claims and lawsuits incidental to our business arising from various matters including product warranty, personal injury, environmental issues, workplace laws, and various governmental regulations. The Company evaluates its exposure to such claims and suits periodically and establishes accruals for these contingencies when a range of loss can be reasonably estimated. The range of reasonably possible losses for such matters, taking into consideration our rights in indemnity and recourse to third parties is $4.4 million to $27.0 million. This range includes any amount related to the Highway Products litigation matters described above in the section titled "Product liability cases." At December 31, 2017, total accruals of $17.8 million, including environmental and workplace matters described below, are included in accrued liabilities in the accompanying consolidated balance sheet. The Company believes any additional liability would not be material to its financial position or results of operations.

Trinity is subject to remedial orders and federal, state, local, and foreign laws and regulations relating to the environment and the workplace. The Company has reserved $3.3 million to cover our probable and estimable liabilities with respect to the investigations, assessments, and remedial responses to such matters, taking into account currently available information and our contractual rights to indemnification and recourse to third parties. However, estimates of liability arising from future proceedings, assessments, or remediation are inherently imprecise. Accordingly, there can be no assurance that we will not become involved in future litigation or other proceedings involving the environment and the workplace or, if we are found to be responsible or liable in any such litigation or proceeding, that such costs would not be material to the Company. We believe that we are currently in substantial compliance with environmental and workplace laws and regulations.

Other commitments

Non-cancelable purchase obligations amounted to $724.0 million as of December 31, 2017, of which $602.8 million is for the purchase of raw materials and components, primarily by the Rail and Energy Equipment Groups.

Note 19. Financial Statements for Guarantors of the Senior Notes

The Company's Senior Notes are fully and unconditionally and jointly and severally guaranteed by certain of Trinity's 100%-owned subsidiaries: Trinity Industries Leasing Company; Trinity Marine Products, Inc.; Trinity North American Freight Car, Inc.; Trinity Rail Group, LLC; Trinity Tank Car, Inc.; Trinity Meyer Utility Structures LLC. and, Trinity Structural Towers, Inc. (collectively, the "Combined Guarantor Subsidiaries"). Amounts previously reported have been restated to include Trinity Structural Towers, Inc. as a Guarantor Subsidiary. The Senior Notes indenture agreement includes customary provisions for the release of the guarantees by the Combined Guarantor Subsidiaries upon the occurrence of certain allowed events including the release of one or more of the Combined Guarantor Subsidiaries as guarantor under the Company's revolving credit facility. See Note 11 Debt. The Senior Notes are not guaranteed by any remaining 100%-owned subsidiaries of the Company or partially-owned subsidiaries ("Combined Non-Guarantor Subsidiaries").

As of December 31, 2017, assets held by the Combined Non-Guarantor Subsidiaries included $143.0 million of restricted cash that was not available for distribution to Trinity Industries, Inc. ("Parent"), $3,509.1 million of equipment securing certain non-recourse debt, $66.2 million of equipment securing certain lease obligations held by the Combined Non-Guarantor Subsidiaries, and $317.3 million of assets located in foreign locations. As of December 31, 2016, assets held by the Combined Non-Guarantor Subsidiaries included $147.1 million of restricted cash that was not available for distribution to the Parent, $3,300.9 million of equipment securing certain non-recourse debt, $68.0 million of equipment securing certain lease obligations held by the Combined Non-Guarantor Subsidiaries, and $349.4 million of assets located in foreign locations.

Statement of Operations and Comprehensive Income
Year Ended December 31, 2017

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Revenues	**$ —**	**$ 2,275.9**	**$ 1,958.6**	**$ (571.7)**	**$ 3,662.8**
Cost of revenues	**3.1**	**1,818.0**	**1,520.8**	**(596.4)**	**2,745.5**
Selling, engineering, and administrative expenses	**159.0**	**135.5**	**160.3**	**—**	**454.8**
Gains on dispositions on property	**1.0**	**71.0**	**14.6**	**—**	**86.6**
	161.1	**1,882.5**	**1,666.5**	**(596.4)**	**3,113.7**
Operating profit (loss)	**(161.1)**	**393.4**	**292.1**	**24.7**	**549.1**
Other (income) expense	**(157.2)**	**87.0**	**247.3**	**—**	**177.1**
Equity in earnings of subsidiaries, net of taxes	**671.4**	**77.8**	**—**	**(749.2)**	**—**
Income before income taxes	**667.5**	**384.2**	**44.8**	**(724.5)**	**372.0**
Provision (benefit) for income taxes	**(35.0)**	**(295.2)**	**12.0**	**(23.4)**	**(341.6)**
Net income	**702.5**	**679.4**	**32.8**	**(701.1)**	**713.6**
Net income attributable to noncontrolling interest	**—**	**—**	**—**	**11.1**	**11.1**
Net income attributable to controlling interest	**$ 702.5**	**$ 679.4**	**$ 32.8**	**$ (712.2)**	**$ 702.5**
Net income	**$ 702.5**	**$ 679.4**	**$ 32.8**	**$ (701.1)**	**$ 713.6**
Other comprehensive income (loss)	**8.3**	**0.1**	**2.9**	**—**	**11.3**
Comprehensive income	**710.8**	**679.5**	**35.7**	**(701.1)**	**724.9**
Comprehensive income attributable to noncontrolling interest	**—**	**—**	**—**	**13.7**	**13.7**
Comprehensive income attributable to controlling interest	**$ 710.8**	**$ 679.5**	**$ 35.7**	**$ (714.8)**	**$ 711.2**

Statement of Operations and Comprehensive Income
Year Ended December 31, 2016

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Revenues	$ —	$ 3,267.8	$ 2,122.6	$ (802.1)	$ 4,588.3
Cost of revenues	(1.3)	2,616.1	1,671.4	(830.1)	3,456.1
Selling, engineering, and administrative expenses	125.3	131.2	150.9	—	407.4
Gains on dispositions on property	(0.5)	11.1	6.8	—	17.4
	124.5	2,736.2	1,815.5	(830.1)	3,846.1
Operating profit (loss)	(124.5)	531.6	307.1	28.0	742.2
Other (income) expense	(128.8)	73.0	231.2	—	175.4
Equity in earnings of subsidiaries, net of taxes	387.5	91.8	—	(479.3)	—
Income before income taxes	391.8	550.4	75.9	(451.3)	566.8
Provision (benefit) for income taxes	48.2	186.0	25.1	(57.2)	202.1
Net income	343.6	364.4	50.8	(394.1)	364.7
Net income attributable to noncontrolling interest	—	—	—	21.1	21.1
Net income attributable to controlling interest	$ 343.6	$ 364.4	$ 50.8	$ (415.2)	$ 343.6
Net income	$ 343.6	$ 364.4	$ 50.8	$ (394.1)	$ 364.7
Other comprehensive income (loss)	0.6	(0.4)	4.8	—	5.0
Comprehensive income	344.2	364.0	55.6	(394.1)	369.7
Comprehensive income attributable to noncontrolling interest	—	—	—	24.2	24.2
Comprehensive income attributable to controlling interest	$ 344.2	$ 364.0	$ 55.6	$ (418.3)	$ 345.5

Statement of Operations and Comprehensive Income
Year Ended December 31, 2015

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Revenues	$ —	$ 4,956.6	$ 2,370.8	$ (934.7)	$ 6,392.7
Cost of revenues	(2.0)	3,808.2	1,808.1	(958.1)	4,656.2
Selling, engineering, and administrative expenses	147.0	162.6	166.8	—	476.4
Gains on dispositions on property	2.0	86.0	90.8	—	178.8
	143.0	3,884.8	1,884.1	(958.1)	4,953.8
Operating profit (loss)	(143.0)	1,071.8	486.7	23.4	1,438.9
Other (income) expense	(118.7)	74.0	231.6	—	186.9
Equity in earnings of subsidiaries, net of taxes	920.0	217.3	—	(1,137.3)	—
Income before income taxes	895.7	1,215.1	255.1	(1,113.9)	1,252.0
Provision (benefit) for income taxes	99.2	370.9	(5.2)	(38.9)	426.0
Net income	796.5	844.2	260.3	(1,075.0)	826.0
Net income attributable to noncontrolling interest	—	—	—	29.5	29.5
Net income attributable to controlling interest	$ 796.5	$ 844.2	$ 260.3	$ (1,104.5)	$ 796.5
Net income	$ 796.5	$ 844.2	$ 260.3	$ (1,075.0)	$ 826.0
Other comprehensive income (loss)	(6.0)	—	5.5	—	(0.5)
Comprehensive income	790.5	844.2	265.8	(1,075.0)	825.5
Comprehensive income attributable to noncontrolling interest	—	—	—	32.5	32.5
Comprehensive income attributable to controlling interest	$ 790.5	$ 844.2	$ 265.8	$ (1,107.5)	$ 793.0

Balance Sheet
December 31, 2017

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Assets:					
Cash and cash equivalents	**$ 763.9**	**$ 1.6**	**$ 65.3**	**$ (52.2)**	**$ 778.6**
Short-term marketable securities	**319.5**	**—**	**—**	**—**	**319.5**
Receivables, net of allowance	**1.1**	**204.2**	**164.4**	**—**	**369.7**
Income tax receivable	**24.0**	**—**	**5.0**	**—**	**29.0**
Inventory	**—**	**413.6**	**236.8**	**(9.8)**	**640.6**
Property, plant, and equipment, net	**47.6**	**2,310.7**	**4,293.0**	**(516.6)**	**6,134.7**
Investments in and advances to subsidiaries	**5,515.2**	**3,049.7**	**255.5**	**(8,820.4)**	**—**
Restricted cash	**—**	**—**	**143.0**	**52.2**	**195.2**
Goodwill and other assets	**159.2**	**590.9**	**326.3**	**(0.5)**	**1,075.9**
	$ 6,830.5	**$ 6,570.7**	**$ 5,489.3**	**$ (9,347.3)**	**$ 9,543.2**
Liabilities:					
Accounts payable	**$ 7.5**	**$ 65.9**	**$ 102.2**	**$ (0.2)**	**$ 175.4**
Accrued liabilities	**236.5**	**59.1**	**144.9**	**(0.5)**	**440.0**
Debt	**838.1**	**28.3**	**2,376.0**	**—**	**3,242.4**
Deferred income	**—**	**19.1**	**1.4**	**—**	**20.5**
Deferred income taxes	**53.8**	**683.2**	**5.9**	**0.3**	**743.2**
Advances from subsidiaries	**775.2**	**—**	**—**	**(775.2)**	**—**
Other liabilities	**61.4**	**0.7**	**1.6**	**—**	**63.7**
Total stockholders' equity	**4,858.0**	**5,714.4**	**2,857.3**	**(8,571.7)**	**4,858.0**
	$ 6,830.5	**$ 6,570.7**	**$ 5,489.3**	**$ (9,347.3)**	**$ 9,543.2**

Balance Sheet
December 31, 2016

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Assets:					
Cash and cash equivalents	$ 537.9	$ 5.2	$ 51.3	$ (31.0)	$ 563.4
Short-term marketable securities	234.7	—	—	—	234.7
Receivables, net of allowance	1.1	219.2	158.4	—	378.7
Income tax receivable	99.9	—	2.2	—	102.1
Inventory	—	444.2	231.5	(9.9)	665.8
Property, plant, and equipment, net	48.8	2,347.4	4,029.8	(459.2)	5,966.8
Investments in and advances to subsidiaries	4,862.4	2,565.0	334.6	(7,762.0)	—
Restricted cash	—	—	147.1	31.1	178.2
Goodwill and other assets	150.8	585.1	301.0	(1.3)	1,035.6
	$ 5,935.6	$ 6,166.1	$ 5,255.9	$ (8,232.3)	$ 9,125.3
Liabilities:					
Accounts payable	$ 5.7	$ 54.8	$ 96.1	$ (0.5)	$ 156.1
Accrued liabilities	200.0	87.7	139.7	(1.3)	426.1
Debt	818.7	32.0	2,205.9	—	3,056.6
Deferred income	—	21.9	1.6	—	23.5
Deferred income taxes	78.6	984.7	9.3	0.3	1,072.9
Advances from subsidiaries	458.2	—	—	(458.2)	—
Other liabilities	63.3	13.5	2.2	—	79.0
Total stockholders' equity	4,311.1	4,971.5	2,801.1	(7,772.6)	4,311.1
	$ 5,935.6	$ 6,166.1	$ 5,255.9	$ (8,232.3)	$ 9,125.3

Statement of Cash Flows

Year Ended December 31, 2017

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Operating activities:					
Net income	$ 702.5	$ 679.4	$ 32.8	$ (701.1)	$ 713.6
Equity in earnings of subsidiaries, net of taxes	(671.4)	(77.8)	—	749.2	—
Other	137.2	(281.4)	213.1	(20.9)	48.0
Net cash provided (required) by operating activities	168.3	320.2	245.9	27.2	761.6
Investing activities:					
(Increase) decrease in short-term marketable securities	(84.8)	—	—	—	(84.8)
Proceeds from railcar lease fleet sales owned more than one year	—	663.3	61.3	(363.9)	360.7
Proceeds from disposition of property and other assets	—	1.2	10.1	—	11.3
Capital expenditures – leasing	—	(589.8)	(382.4)	363.9	(608.3)
Capital expenditures – manufacturing and other	(7.7)	(19.1)	(77.6)	—	(104.4)
Acquisitions, net of cash acquired	—	—	(47.5)	—	(47.5)
(Increase) decrease in investment in partially-owned subsidiaries	—	35.0	—	(35.0)	—
Divestitures	—	—	—	—	—
Other	—	—	0.3	—	0.3
Net cash provided (required) by investing activities	(92.5)	90.6	(435.8)	(35.0)	(472.7)
Financing activities:					
Proceeds from issuance of common stock, net	—	—	—	—	—
Excess tax benefits from stock-based compensation	—	—	—	—	—
Payments to retire debt	—	(3.8)	(371.6)	—	(375.4)
Proceeds from issuance of debt	—	—	534.1	—	534.1
(Increase) decrease in restricted cash	—	—	4.1	(21.1)	(17.0)
Shares repurchased	(79.4)	—	—	—	(79.4)
Dividends paid to common shareholders	(72.6)	—	—	—	(72.6)
Purchase of shares to satisfy employee tax on vested stock	(14.4)	—	—	—	(14.4)
Distributions to noncontrolling interest	—	—	(48.7)	—	(48.7)
Distributions to controlling interest in partially-owned leasing subsidiaries	—	—	(35.0)	35.0	—
Change in intercompany financing between entities	316.6	(410.6)	121.3	(27.3)	—
Other	—	—	(0.3)	—	(0.3)
Net cash provided (required) by financing activities	150.2	(414.4)	203.9	(13.4)	(73.7)
Net increase (decrease) in cash and cash equivalents	226.0	(3.6)	14.0	(21.2)	215.2
Cash and cash equivalents at beginning of period	537.9	5.2	51.3	(31.0)	563.4
Cash and cash equivalents at end of period	$ 763.9	$ 1.6	$ 65.3	$ (52.2)	$ 778.6

Statement of Cash Flows

Year Ended December 31, 2016

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Operating activities:					
Net income	$ 343.6	$ 364.4	$ 50.8	$ (394.1)	$ 364.7
Equity in earnings of subsidiaries, net of taxes	(387.5)	(91.8)	—	479.3	—
Other	64.5	489.2	205.2	(33.4)	725.5
Net cash provided (required) by operating activities	20.6	761.8	256.0	51.8	1,090.2
Investing activities:					
(Increase) decrease in short-term marketable securities	(149.8)	—	—	—	(149.8)
Proceeds from railcar lease fleet sales owned more than one year	—	27.3	10.4	—	37.7
Proceeds from disposition of property and other assets	—	4.1	11.9	—	16.0
Capital expenditures – leasing	—	(798.7)	(0.4)	—	(799.1)
Capital expenditures – manufacturing and other	(18.0)	(16.6)	(99.7)	—	(134.3)
Acquisitions, net of cash acquired	—	—	—	—	—
(Increase) decrease in investment in partially-owned subsidiaries	—	17.1	—	(17.1)	—
Divestitures	—	—	—	—	—
Other	—	1.5	5.3	—	6.8
Net cash provided (required) by investing activities	(167.8)	(765.3)	(72.5)	(17.1)	(1,022.7)
Financing activities:					
Proceeds from issuance of common stock, net	—	—	—	—	—
Excess tax benefits from stock-based compensation	1.0	—	—	—	1.0
Payments to retire debt	—	(3.6)	(158.9)	—	(162.5)
Proceeds from issuance of debt	—	—	—	—	—
(Increase) decrease in restricted cash	—	0.2	13.4	4.0	17.6
Shares repurchased	(34.7)	—	—	—	(34.7)
Dividends paid to common shareholders	(66.7)	—	—	—	(66.7)
Purchase of shares to satisfy employee tax on vested stock	(16.3)	—	—	—	(16.3)
Distributions to noncontrolling interest	—	—	(26.4)	—	(26.4)
Distributions to controlling interest in partially-owned leasing subsidiaries	—	—	(17.1)	17.1	—
Change in intercompany financing between entities	33.5	10.4	7.8	(51.7)	—
Other	—	—	(2.1)	—	(2.1)
Net cash provided (required) by financing activities	(83.2)	7.0	(183.3)	(30.6)	(290.1)
Net increase (decrease) in cash and cash equivalents	(230.4)	3.5	0.2	4.1	(222.6)
Cash and cash equivalents at beginning of period	768.3	1.7	51.1	(35.1)	786.0
Cash and cash equivalents at end of period	$ 537.9	$ 5.2	$ 51.3	$ (31.0)	$ 563.4

Statement of Cash Flows

Year Ended December 31, 2015

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Operating activities:					
Net income	$ 796.5	$ 844.2	$ 260.3	$ (1,075.0)	$ 826.0
Equity in earnings of subsidiaries, net of taxes	(920.0)	(217.3)	—	1,137.3	—
Other	57.8	(36.9)	150.2	(57.4)	113.7
Net cash provided (required) by operating activities	(65.7)	590.0	410.5	4.9	939.7
Investing activities:					
(Increase) decrease in short-term marketable securities	(9.9)	—	—	—	(9.9)
Proceeds from railcar lease fleet sales owned more than one year	—	290.6	267.2	(43.2)	514.6
Proceeds from disposition of property and other assets	—	1.9	6.3	—	8.2
Capital expenditures – leasing	—	(821.6)	(55.4)	43.2	(833.8)
Capital expenditures – manufacturing and other	(14.5)	(44.6)	(136.9)	—	(196.0)
Acquisitions, net of cash acquired	—	—	(46.2)	—	(46.2)
(Increase) decrease in investment in partially-owned subsidiaries	—	24.8	—	(24.8)	—
Divestitures	—	—	51.3	—	51.3
Other	—	0.2	0.3	—	0.5
Net cash provided (required) by investing activities	(24.4)	(548.7)	86.6	(24.8)	(511.3)
Financing activities:					
Proceeds from issuance of common stock, net	0.3	—	—	—	0.3
Excess tax benefits from stock-based compensation	13.3	—	—	—	13.3
Payments to retire debt	—	(3.2)	(584.0)	—	(587.2)
Proceeds from issuance of debt	(1.5)	—	243.9	—	242.4
(Increase) decrease in restricted cash	—	(0.2)	43.3	5.2	48.3
Shares repurchased	(115.0)	—	—	—	(115.0)
Dividends paid to common shareholders	(64.9)	—	—	—	(64.9)
Purchase of shares to satisfy employee tax on vested stock	(27.5)	—	—	—	(27.5)
Distributions to noncontrolling interest	—	—	(39.2)	—	(39.2)
Distributions to controlling interest in partially-owned leasing subsidiaries	—	—	(24.8)	24.8	—
Change in intercompany financing between entities	226.0	(47.3)	(173.8)	(4.9)	—
Other	—	—	(0.8)	—	(0.8)
Net cash provided (required) by financing activities	30.7	(50.7)	(535.4)	25.1	(530.3)
Net increase (decrease) in cash and cash equivalents	(59.4)	(9.4)	(38.3)	5.2	(101.9)
Cash and cash equivalents at beginning of period	827.7	11.1	89.4	(40.3)	887.9
Cash and cash equivalents at end of period	$ 768.3	$ 1.7	$ 51.1	$ (35.1)	$ 786.0

Note 20. Selected Quarterly Financial Data (Unaudited)

	Three Months Ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
	(in millions except per share data)			
Revenues:				
Manufacturing	$ 698.7	$ 713.6	$ 698.7	$ 709.6
Leasing	178.6	191.9	274.9	196.8
	877.3	905.5	973.6	906.4
Operating costs:				
Costs of revenues:				
Manufacturing	576.1	589.7	565.6	581.8
Leasing	83.6	92.2	156.6	99.9
	659.7	681.9	722.2	681.7
Selling, engineering, and administrative expenses	102.3	112.8	114.5	125.2
Gains on disposition of property	1.3	24.4	16.1	44.8
Operating profit	116.6	135.2	153.0	144.3
Income before income taxes	72.5	91.3	107.6	100.6
Provision (benefit) for income taxes	20.8	37.3	39.7	(439.4)
Net income	51.7	54.0	67.9	540.0
Net income attributable to Trinity Industries, Inc.	46.0	51.1	66.9	538.5
Net income attributable to Trinity Industries, Inc. per common share:				
Basic	$ 0.30	$ 0.34	$ 0.44	$ 3.56
Diluted	$ 0.30	$ 0.33	$ 0.43	$ 3.42

	Three Months Ended			
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
	(in millions except per share data)			
Revenues:				
Manufacturing	$ 1,010.1	$ 888.8	$ 938.5	$ 926.0
Leasing	177.8	296.1	173.2	177.8
	1,187.9	1,184.9	1,111.7	1,103.8
Operating costs:				
Costs of revenues:				
Manufacturing	793.9	719.1	745.4	761.2
Leasing	96.0	178.6	81.9	80.0
	889.9	897.7	827.3	841.2
Selling, engineering, and administrative expenses	96.5	106.7	102.3	101.9
Gains on disposition of property	1.9	11.1	1.5	2.9
Operating profit	203.4	191.6	183.6	163.6
Income before income taxes	159.5	152.2	139.5	115.6
Provision for income taxes	57.4	53.4	49.9	41.4
Net income	102.1	98.8	89.6	74.2
Net income attributable to Trinity Industries, Inc.	97.2	94.6	84.2	67.6
Net income attributable to Trinity Industries, Inc. per common share:				
Basic	$ 0.64	$ 0.62	$ 0.55	$ 0.44
Diluted	$ 0.64	$ 0.62	$ 0.55	$ 0.44

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 9A. ***Controls and Procedures.***

Disclosure Controls and Procedures.

The Company maintains disclosure controls and procedures designed to ensure that it is able to collect and record the information it is required to disclose in the reports it files with the SEC, and to process, summarize, and disclose this information within the time periods specified in the rules of the SEC. The Company's Chief Executive and Chief Financial Officers are responsible for establishing and maintaining these procedures and, as required by the rules of the SEC, evaluating their effectiveness. Based on their evaluation of the Company's disclosure controls and procedures that took place as of the end of the period covered by this report, the Chief Executive and Chief Financial Officers believe that these procedures are effective to 1) ensure that the Company is able to collect, process, and disclose the information it is required to disclose in the reports it files with the SEC within the required time periods and 2) accumulate and communicate this information to the Company's management, including its Chief Executive and Chief Financial Officers, to allow timely decisions regarding this disclosure.

Management's Report on Internal Control over Financial Reporting.

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance, as opposed to absolute assurance, of achieving their internal control objectives.

During the three months ended December 31, 2017, there have been no changes in the Company’s internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the Company’s internal controls over financial reporting.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (the 2013 Framework) (COSO) in *Internal Control - Integrated Framework.* Based on our assessment, we believe that, as of December 31, 2017, the Company's internal control over financial reporting was effective based on those criteria.

The effectiveness of internal control over financial reporting as of December 31, 2017, has been audited by Ernst & Young LLP, the independent registered public accounting firm who also audited the Company's consolidated financial statements. Ernst & Young LLP's attestation report on effectiveness of the Company's internal control over financial reporting follows:

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Trinity Industries, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Trinity Industries, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Trinity Industries, Inc. (and subsidiaries) (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Trinity Industries, Inc. and Subsidiaries as of December 31, 2017 and 2016, 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, 2017, and the related notes and our report dated February 22, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ ERNST & YOUNG LLP

Dallas, Texas
February 22, 2018

Item 9B. ***Other Information.***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance.***

Information regarding the directors of the Company is incorporated by reference to the information set forth under the caption "Proposal 1 - Election of Directors" in the Company's Proxy Statement for the 2018 Annual Meeting of Stockholders (the "2018 Proxy Statement"). Information relating to the executive officers of the Company is set forth in Part I of this report under the caption "Executive Officers and Other Corporate Officers of the Company." Information relating to the Board of Directors' determinations concerning whether at least one of the members of the Audit Committee is an "audit committee financial expert" as that term is defined under Item 407 (d)(5) of Regulation S-K is incorporated by reference to the information set forth under the caption "Corporate Governance - Board Committees - Audit Committee" in the Company's 2018 Proxy Statement. Information regarding the Company's Audit Committee is incorporated by reference to the information set forth under the caption "Corporate Governance - Board Committees - Audit Committee" in the Company's 2018 Proxy Statement. Information regarding compliance with Section 16(a) of the Securities and Exchange Act of 1934 is incorporated by reference to the information set forth under the caption "Additional Information - Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's 2018 Proxy Statement.

The Company has adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers, and employees. The Code of Business Conduct and Ethics is on the Company's website at www.trin.net under the caption "Investor Relations/ Governance." The Company intends to post any amendments or waivers for its Code of Business Conduct and Ethics to the Company's website at www.trin.net to the extent applicable to an executive officer or director of the Company.

Item 11. ***Executive Compensation.***

Information regarding compensation of executive officers and directors is incorporated by reference to the information set forth under the caption "Executive Compensation" in the Company's 2018 Proxy Statement. Information concerning compensation committee interlocks and insider participation is incorporated by reference to the information set forth under the caption "Corporate Governance - Compensation Committee Interlocks and Insider Participation" in the Company's 2018 Proxy Statement. Information about the compensation committee report is incorporated by reference to the information set forth under the caption "Executive Compensation - Human Resources Committee Report" in the Company's 2018 Proxy Statement.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

Information concerning security ownership of certain beneficial owners and management is incorporated herein by reference from the Company's 2018 Proxy Statement, under the caption "Security Ownership - Security Ownership of Certain Beneficial Owners and Management."

The following table sets forth information about Trinity common stock that may be issued under all of Trinity's existing equity compensation plans as of December 31, 2017.

Equity Compensation Plan Information

	(a)	(b)	(c)
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Plan Category:			
Equity compensation plans approved by security holders:			
Stock Options	34,343	$ 8.12	
Restricted stock units and performance units	3,035,639 [1]	$ —	
	3,069,982		3,536,418
Equity compensation plans not approved by security holders	— [2]		—
Total	3,069,982		3,536,418

[1] Includes 1,428,167 shares of common stock issuable upon the vesting and conversion of restricted stock units and 1,607,472 shares of common stock issuable upon the vesting and conversion of performance units. The restricted stock units and performance units do not have an exercise price. The performance units are granted to employees based upon a target level, however, depending upon the achievement of certain specified goals during the performance period, performance units may be adjusted to a level ranging between 0% and 200% of the target level.

[2] Excludes information regarding the Trinity Deferred Plan for Director Fees. This plan permits the deferral of the payment of the annual retainer fee and board and committee meeting fees. At the election of the participant, the deferred fees may be converted into stock units with a fair market value equal to the value of the fees deferred, and such stock units are credited to the director's account (along with the amount of any dividends or stock distributions). At the time a participant ceases to be a director, cash will be distributed to the participant. At December 31, 2017, there were 219,838 stock units credited to the accounts of participants. Also excludes information regarding the Trinity Industries Supplemental Profit Sharing Plan ("Supplemental Plan") for certain of its highly compensated employees. Information about the Supplemental Plan is incorporated herein by reference from the Company's 2018 Proxy Statement, under the caption "Executive Compensation - Compensation Discussion and Analysis - Components of Compensation - Post-employment Benefits." At December 31, 2017, there were 85,389 stock units credited to the accounts of participants under the Supplemental Plan.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

Information regarding certain relationships and related person transactions is incorporated by reference to the information set forth under the captions "Corporate Governance-Compensation Committee Interlocks and Insider Participation" and "Transactions with Related Persons" in the Company's 2018 Proxy Statement. Information regarding the independence of directors is incorporated by reference to the information set forth under the captions "Corporate Governance-Independence of Directors" in the Company's 2018 Proxy Statement.

Item 14. ***Principal Accountant Fees and Services.***

Information regarding principal accountant fees and services is incorporated by reference to the information set forth under the captions "Fees of Independent Registered Public Accounting Firm for Fiscal Years 2017 and 2016" in the Company's 2018 Proxy Statement.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules.***

(a) (1) *Financial Statements.*

See Item 8.

(2) *Financial Statement Schedule.*

All schedules are omitted because they are not required, not significant, not applicable or the information is shown in the financial statements or the notes to consolidated financial statements.

(3) *Exhibits.*

See Index to Exhibits for a listing of Exhibits which are filed herewith or incorporated herein by reference to the location indicated.

Item 16. ***Form 10-K Summary.***

None

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

1) Post-Effective Amendment No. 3 to the Registration Statement (Form S-8, No. 2-64813),
2) Post-Effective Amendment No. 1 to the Registration Statement (Form S-8, No. 33-10937),
3) Registration Statement (Form S-8, No. 33-35514),
4) Registration Statement (Form S-8, No. 33-73026),
5) Registration Statement (Form S-8, No. 333-77735),
6) Registration Statement (Form S-8, No. 333-91067),
7) Registration Statement (Form S-8, No. 333-85588),
8) Registration Statement (Form S-8, No. 333-85590),
9) Registration Statement (Form S-8, No. 333-114854),
10) Registration Statement (Form S-8, No. 333-115376),
11) Registration Statement (Form S-3, No. 333-134596),
12) Registration Statement (Form S-8, No. 333-159552),
13) Registration Statement (Form S-8, No. 333-169452),
14) Registration Statement (Form S-8, No. 333-183941),
15) Registration Statement (Form S-3, No. 333-198744),
16) Registration Statement (Form S-8, No. 333-203876), and
17) Registration Statement (Form S-8, No. 333-215067);

of our reports dated February 22, 2018 with respect to the consolidated financial statements of Trinity Industries, Inc. and Subsidiaries and the effectiveness of internal control over financial reporting of Trinity Industries, Inc. and Subsidiaries included in this Annual Report (Form 10-K) of Trinity Industries, Inc. and Subsidiaries for the year ended December 31, 2017.

/s/ ERNST & YOUNG LLP

Dallas, Texas
February 22, 2018

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRINITY INDUSTRIES, INC.
Registrant

By /s/ James E. Perry

James E. Perry
Senior Vice President and
Chief Financial Officer
February 22, 2018

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

Directors:

/s/ John L. Adams
John L. Adams
Director
Dated: February 22, 2018

/s/ Rhys J. Best
Rhys J. Best
Director
Dated: February 22, 2018

/s/ David W. Biegler
David W. Biegler
Director
Dated: February 22, 2018

/s/ Antonio Carrillo
Antonio Carrillo
Director
Dated: February 22, 2018

/s/ Leldon E. Echols
Leldon E. Echols
Director
Dated: February 22, 2018

/s/ Ronald J. Gafford
Ronald J. Gafford
Director
Dated: February 22, 2018

/s/ Adrián Lajous
Adrián Lajous
Director
Dated: February 22, 2018

/s/ Charles W. Matthews
Charles W. Matthews
Director
Dated: February 22, 2018

/s/ Douglas L. Rock
Douglas L. Rock
Director
Dated: February 22, 2018

/s/ Dunia A. Shive
Dunia A. Shive
Director
Dated: February 22, 2018

Principal Executive Officer:

/s/ Timothy R. Wallace
Timothy R. Wallace
Chairman, Chief Executive Officer, President, and Director
Dated: February 22, 2018

Principal Financial Officer:

/s/ James E. Perry
James E. Perry
Senior Vice President and Chief Financial Officer
Dated: February 22, 2018

Principal Accounting Officer:

/s/ Mary E. Henderson
Mary E. Henderson
Vice President and Chief Accounting Officer
Dated: February 22, 2018

INDEX TO EXHIBITS
Trinity Industries, Inc.
Index to Exhibits
(Item 15(b))

NO.	DESCRIPTION
(2.1)	Purchase Agreement, dated as of June 26, 2014, by and among McKinley 2014 Acquisition LLC, Thomas & Betts Corporation and Thomas & Betts International, LLC (incorporated by reference to Exhibit 2.1 to our Form 8-K filed June 30, 2014).
(3.1)	Amended and Restated Certificate of Incorporation of Trinity Industries, Inc., effective May 11, 2015 (incorporated by reference to Exhibit 3.2 to our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015).
(3.2)	Amended and Restated By-Laws of Trinity Industries, Inc., effective May 4, 2015 (incorporated by reference to Exhibit 3.1 to our Form 8-K filed May 8, 2015).
(4.1)	Indenture, dated June 7, 2006, between Trinity Industries, Inc. and Wells Fargo Bank, National Association, as trustee (including the Form of 3 7/8% Convertible Subordinated Note due 2036 as an exhibit thereto) (incorporated by reference to Exhibit 4.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).
(4.1.1)	Officers' Certificate of Trinity Industries, Inc. pursuant to the Indenture dated June 7, 2006, relating to the Company's 3 7/8% Convertible Subordinated Notes due 2036 (incorporated by reference to Exhibit 4.1.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).
(4.2)	Specimen Common Stock Certificate of Trinity Industries, Inc. (filed herewith).
(4.3)	Indenture dated September 25, 2014, by and among Trinity Industries, Inc., certain of its subsidiaries, as guarantors, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our Form 8-K filed September 25, 2014).
(4.3.1)	First Supplemental Indenture dated September 25, 2014, by and among Trinity Industries, Inc., certain of its subsidiaries, as guarantors, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.2 to our Form 8-K filed September 25, 2014).
(4.3.2)	Second Supplemental Indenture dated March 24, 2015, by and among Trinity Industries, Inc., certain of its subsidiaries, as guarantors, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015).
(4.3.3)	Third Supplemental Indenture dated April 20, 2017, by and among Trinity Industries, Inc., certain of its subsidiaries, as guarantors, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017).
(4.3.4)	Form of 4.550% Senior Note due 2024 (included in Exhibit 4.3.1 and incorporated by reference to Exhibit 4.3 to our Form 8-K filed September 25, 2014).
(10.1)	Form of Change in Control Agreement entered into between Trinity Industries, Inc. and the Chief Executive Officer, and each of the Senior Vice Presidents (incorporated by reference to Exhibit 10.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.2)	Trinity Industries, Inc. Directors' Retirement Plan, as amended September 10, 1998 (incorporated by reference to Exhibit 10.2 of Registration Statement No. 333-117526 filed July 21, 2004).*
(10.2.1)	Amendment No. 2 to the Trinity Industries, Inc. Directors' Retirement Plan (incorporated by reference to Exhibit 10.2.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2015).*
(10.2.2)	Amendment No. 3 to the Trinity Industries, Inc. Directors' Retirement Plan (incorporated by reference to Exhibit 10.2.2 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.3)	1993 Stock Option and Incentive Plan (incorporated by reference to Exhibit 4.1 of Registration Statement No. 33-73026 filed December 15, 1993).*
(10.3.1)	Amendment No. 1 to the 1993 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.3.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.3.2)	Amendment No. 2 to the 1993 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.3.2 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.3.3)	Amendment No. 3 to the 1993 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.3.3 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.3.4)	Amendment No. 4 to the 1993 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.3.4 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.3.5)	Amendment No. 5 to the 1993 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.3.5 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.4)	Supplemental Profit Sharing Plan for Employees of Trinity Industries, Inc. and Certain Affiliates as restated effective January 1, 2005 (incorporated by reference to Exhibit 10.4 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*

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Trinity Industries, Inc.
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NO.	DESCRIPTION
(10.5)	Trust Agreement for Trinity Industries, Inc. Deferred Compensation Trust dated December 15, 2011 (incorporated by reference to Exhibit 10.5 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.6)	Trust Agreement for Trinity Industries, Inc. Supplemental Profit Sharing and Directors Fee Trust dated December 15, 2011 (incorporated by reference to Exhibit 10.6 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.7)	Supplemental Retirement Plan as Amended and Restated effective January 1, 2009 (incorporated by reference to Exhibit 10.7 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.7.1)	Amendment No. 1 to the Supplemental Retirement Plan as Amended and Restated effective January 1, 2009 (incorporated by reference to Exhibit 10.7.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.8)	Trinity Industries, Inc. Deferred Plan for Director Fees, as amended (incorporated by reference to Exhibit 10.9 of Registration Statement No. 333-117526 filed July 21, 2004).*
(10.8.1)	Amendment to Trinity Industries, Inc. Deferred Plan for Director Fees dated December 7, 2005 (incorporated by reference to Exhibit 10.8.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.8.2)	Trinity Industries, Inc. 2005 Deferred Plan for Director Fees (incorporated by reference to Exhibit 10.8.2 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.9)	Trinity Industries, Inc. 1998 Stock Option and Incentive Plan (filed herewith).*
(10.9.1)	Amendment No. 1 to the Trinity Industries, Inc. 1998 Stock Option Plan and Incentive Plan (incorporated by reference to Exhibit 10.9.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2015).*
(10.9.2)	Amendment No. 2 to the Trinity Industries, Inc. 1998 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.9.2 to our Annual Report on Form 10-K for the annual period ended December 31, 2015).*
(10.9.3)	Amendment No. 3 to the Trinity Industries, Inc. 1998 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.9.3 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.9.4)	Amendment No. 4 to the Trinity Industries, Inc. 1998 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.9.4 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.10)	Fourth Amended and Restated Trinity Industries, Inc. 2004 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.1 to our Form 8-K filed on May 3, 2017).*
(10.10.1)	Form of Notice of Grant of Stock Options and Non-Qualified Option Agreement with Non-Qualified Stock Option Terms and Conditions as of December 9, 2008 (incorporated by reference to Exhibit 10.10.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.10.2)	Form of Notice of Grant of Stock Options and Incentive Stock Option Agreement with Incentive Stock Option Terms and Conditions as of December 9, 2008 (incorporated by reference to Exhibit 10.10.2 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.10.3)	Form of Restricted Stock Grant Agreement for grants issued prior to 2008 (incorporated by reference to Exhibit 10.10.3 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.10.3.1)	Form of Restricted Stock Grant Agreement for grants issued commencing 2008 (incorporated by reference to Exhibit 10.10.3.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.10.4)	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors (incorporated by reference to Exhibit 10.10.4 to our Annual Report on Form 10-K for the annual period ended December 31, 2015).*
(10.10.5)	Form of Restricted Stock Unit Agreement for Non-Employee Directors for grants issued prior to 2008 (incorporated by reference to Exhibit 10.10.5 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.10.5.1)	Form of Restricted Stock Unit Agreement for Non-Employee Directors for grants issued commencing 2008 (incorporated by reference to Exhibit 10.10.5.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.10.6)	Form of Performance Restricted Stock Unit Grant Agreement for grants issued commencing 2011 through 2016 (incorporated by reference to Exhibit 10.10.6 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.10.7)	Form of Restricted Stock Unit Agreement for grants issued commencing 2017 (incorporated by reference to Exhibit 10.2 to our Form 8-K filed on May 3, 2017).*
(10.10.8)	Form of Performance-Based Restricted Stock Unit Grant Agreement for grants issued commencing 2017 (incorporated by reference to Exhibit 10.3 to our Form 8-K filed on May 3, 2017).*

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Trinity Industries, Inc.
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NO.	DESCRIPTION
(10.10.9)	Form of Non-Employee Director Restricted Stock Grant Agreement for grants issued commencing 2017 (incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017).*
(10.10.10)	Form of Non-Employee Director Restricted Stock Unit Agreement for grants issued commencing 2017 (incorporated by reference to Exhibit 10.6 to our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017).*
(10.11)	Trinity Industries, Inc. Supplemental Retirement Plan Trust (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 2012).*
(10.12)	Form of 2008 Deferred Compensation Plan and Agreement as amended and restated entered into between Trinity Industries, Inc. and certain officers of Trinity Industries, Inc. or its subsidiaries (incorporated by reference to Exhibit 10.12 to our Annual Report on Form 10-K for the annual period ended December 31, 2013).*
(10.13)	Trinity Industries, Inc. Annual Incentive Plan (incorporated by reference to Exhibit 10.2 to our Form 8-K filed May 8, 2013).*
(10.14)	Credit Agreement, dated as of May 20, 2015, by and among Trinity Industries, Inc., as Borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent and Wells Fargo Bank, N.A., as Documentation Agent (incorporated by reference to Exhibit 10.1 to our Form 8-K filed May 22, 2015).
(10.14.1)	First Amendment to Credit Agreement, dated as of January 28, 2016, by and among Trinity Industries, Inc., as Borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent and Wells Fargo Bank, N.A., as Documentation Agent (incorporated by reference to Exhibit 10.14.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2015).
(10.14.2)	Supplement to Subsidiary Guaranty, dated April 20, 2017, in favor of JPMorgan Chase Bank, N.A. as administrative agent (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017).
(10.15)	Third Amended and Restated Warehouse Loan Agreement dated as of June 17, 2013 among Trinity Industries Leasing Company, Trinity Rail Leasing Warehouse Trust, the banks and other lending institutions from time to time party hereto, Credit Suisse AG, New York Branch, as Agent, and Wilmington Trust Company, as Collateral Agent and Depositary (incorporated by reference to Exhibit 10.1 to our Form 8-K filed on June 21, 2013).
(10.15.1)	Amendment No. 1 to the Third Amended and Restated Warehouse Loan Agreement, dated as of April 8, 2015, among Trinity Industries Leasing Company, Trinity Rail Leasing Warehouse Trust, the banks and other lending institutions from time time party thereto, Credit Suisse AG, New York Branch, as Agent, and Wilmington Trust Company, as Collateral Agent and Depositary (incorporated by reference to Exhibit 10.1 to our Form 8-K filed April 9, 2015).
(10.16)	Master Indenture dated November 5, 2009, between Trinity Rail Leasing VII LLC and Wilmington Trust Company, as indenture trustee (incorporated by reference to Exhibit 10.20 to our Annual Report on Form 10-K for the annual period ended December 31, 2014).
(10.16.1)	Purchase and Contribution Agreement, dated November 5, 2009, among Trinity Industries Leasing Company, Trinity Rail Leasing Warehouse Trust, and Trinity Rail Leasing VII LLC (incorporated by reference to Exhibit 10.20.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2014).
(10.17)	Perquisite Plan in which the Company's Executive Officers participate (filed herewith).*
(10.18)	Purchase and Contribution Agreement, dated May 18, 2006, among Trinity Industries Leasing Company, Trinity Leasing Trust II, and Trinity Rail Leasing V L.P. (incorporated by reference to Exhibit 10.18 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).
(10.18.1)	Master Indenture dated May 24, 2006, between Trinity Rail Leasing V L.P. and Wilmington Trust Company, as indenture trustee (incorporated by reference to Exhibit 10.18.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).
(10.19)	Board Compensation Summary Sheet (filed herewith).*
(10.20)	Indenture dated as of October 25, 2010, between Trinity Rail Leasing 2010 LLC and Wilmington Trust Company, as indenture trustee (incorporated by reference to Exhibit 10.20 to our Annual Report on Form 10-K for the annual period ended December 31, 2015).
(10.20.1)	Purchase and Contribution Agreement, dated as of October 25, 2010, among Trinity Rail Leasing Warehouse Trust, Trinity Industries Leasing Company, and Trinity Rail Leasing 2010 LLC (incorporated by reference to Exhibit 10.20.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2015).
(10.21)	Purchase and Contribution Agreement dated July 6, 2011, among TRIP Rail Leasing, LLC, Trinity Industries Leasing Company, and TRIP Rail Master Funding LLC (incorporated by reference to Exhibit 10.21 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).

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NO.	DESCRIPTION
(10.21.1)	Master Indenture dated July 6, 2011, among TRIP Rail Master Funding LLC and Wilmington Trust Company, as indenture trustee (incorporated by reference to Exhibit 10.21.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).
(10.22)	Form of Indemnification Agreement between Trinity Industries, Inc. and certain directors and executive officers (incorporated by reference to Exhibit 10.22 to our Annual Report on Form 10-K for the annual period ended December 31, 2016).*
(10.23)	Master Indenture dated December 19, 2012, between Trinity Rail Leasing 2012 LLC and Wilmington Trust Company, as Indenture Trustee (incorporated by reference to Exhibit 10.28.1 to our Annual Report on Form 10-K for the annual period ended December 31, 2012).
(10.23.1)	Purchase and Contribution Agreement, dated December 19, 2012, among Trinity Rail Leasing Warehouse Trust, Trinity Industries Leasing Company, and Trinity Rail Leasing 2012 LLC (incorporated by reference to Exhibit 10.28.2 to our Annual Report on Form 10-K for the annual period ended December 31, 2012).
(10.24)	Term Loan Agreement dated as of May 15, 2017 among Trinity Rail Leasing 2017 LLC, the Lenders From Time to Time Party Hereto, Credit Agricole Corporate and Investment Bank, as Agent, and U.S. Bank National Association as Collateral and Depositary (incorporated by reference to Exhibit 10.7 to our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017).
(10.24.1)	Purchase and Contribution Agreement dated as of May 15, 2017 among Trinity Rail Leasing Warehouse Trust and Trinity Industries Leasing Company, as Sellers, and Trinity Rail Leasing 2017 LLC as Purchaser (incorporated by reference to Exhibit 10.7.1 to our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017).
(12)	Computation of Ratio of Earnings to Fixed Charges (filed herewith).
(21)	Listing of subsidiaries of Trinity Industries, Inc. (filed herewith).
(23)	Consent of Ernst & Young LLP (contained on page 105 of this document and filed herewith).
(31.1)	Rule 13a-15(e) and 15d-15(e) Certification of the Chief Executive Officer (filed herewith).
(31.2)	Rule 13a-15(e) and 15d-15(e) Certification of the Chief Financial Officer (filed herewith).
(32.1)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
(32.2)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
(95)	Mine Safety Disclosure Exhibit (filed herewith).
101.INS	XBRL Instance Document (filed electronically herewith)
101.SCH	XBRL Taxonomy Extension Schema Document (filed electronically herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed electronically herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (filed electronically herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed electronically herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed electronically herewith)

* Management contracts and compensatory plan arrangements.

Exhibit 12

Trinity Industries, Inc. and Subsidiaries
Computation of Ratio of Earnings to Fixed Charges

	For the year ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
			($ in millions)		
Earnings:					
Earnings before income taxes	$ 372.0	$ 566.8	$ 1,252.0	$ 1,064.1	$ 590.5
Add:					
Fixed charges	207.0	206.2	219.9	221.4	212.3
Amortization of capitalized interest	0.1	0.1	0.1	0.1	0.2
Total earnings before income taxes	$ 579.1	$ 773.1	$ 1,472.0	$ 1,285.6	$ 803.0
Fixed Charges:					
Interest expense	$ 184.0	$ 181.9	$ 194.7	$ 193.4	$ 187.3
Portion of rental expense representative of interest	23.0	24.3	25.2	28.0	25.0
	207.0	206.2	219.9	221.4	212.3
Capitalized interest	—	—	—	—	—
Total Fixed Charges	$ 207.0	$ 206.2	$ 219.9	$ 221.4	$ 212.3
Ratio of Earnings to Fixed Charges	2.80	3.75	6.69	5.81	3.78

Exhibit 21

Trinity Industries, Inc.
Active Subsidiaries as of December 31, 2017

Name of Subsidiary	Domicile	Ownership
CJB Prime Property, LLC	Delaware	100%
CJB Canada Mfg. Corp.	Brit Columbia	100%
Heritage Aviation Services LLC	Nevada	100%
International Industrial Indemnity Company	Vermont	100%
Reunion General Agency, Inc.	Texas	100%
Trinity Argentina S.R.L.	Argentina	100%
Trinity Construction Materials, Inc.	Delaware	100%
Trinity LW, LLC	Delaware	100%
LWFP, LLC	Delaware	100%
TRNLWB, LLC	Delaware	100%
TRNLWS, LLC	Delaware	100%
TRN LW BR, LLC	Delaware	100%
TRN LW KY, LLC	Delaware	100%
TRN LW HPB, LLC	Delaware	100%
Trinity Materials, Inc.	Delaware	100%
POB Exploration, LLC	Delaware	100%
Trinity Containers, LLC	Delaware	100%
Trinity Corporate Services, LLC	Delaware	100%
Vigilant Systems, Inc.	Texas	100%
Trinity Cryogenics, LLC	Delaware	100%
Alloy Custom Products, LLC	Delaware	100%
WesMor Cryogenics, LLC	Delaware	100%
Trinity Galvanizing, LLC	Delaware	100%
Trinity Heads, Inc.	Delaware	100%
Trinity Highway Products, LLC	Delaware	100%
QEAS, Inc.	Delaware	100%
Quixote Transportation Safety, Inc.	Delaware	100%
E-Tech Testing Services, Inc.	Delaware	100%
Energy Absorption Systems, Inc.	Delaware	100%
EAS Road Products, Inc.	Delaware	100%
EAS Road Products (Singapore Branch), Inc.	Delaware	100%
Energy Absorption Systems (Europe), Inc.	Delaware	100%
Quixote International Enterprises, LLC	Delaware	100%
Trinity B, LLC	Delaware	100%
Trinity Highway Rentals, Inc.	Delaware	100%
Trinity Industries International, Inc.	Delaware	100%
Trinity Industries International Holdings AG	Switzerland	100%
Trinity Industries de Latinoamerica SAC	Peru	100%
Administradora Especializada, S. de R.L. de C.V	Mexico	50%
Servicios Corporativos Tatsa, S. de R.L. de C.V	Mexico	25%
Servicios Corporativos Tatsa, S. de R.L. de C.V	Mexico	50%
Asistencia Profesional Corporativa, S.de R.L. de C.V.	Mexico	50%
Trinity Industries de México, S. de R.L. de C.V.	Mexico	67%
Administradora Especializada, S. de R.L. de C.V	Mexico	50%
Asistencia Profesional Corporativa	Mexico	50%
OFE, S. de R.L. de C.V.	Mexico	67%
Servicios Corporativos Tatsa, S. de R.L. de C.V	Mexico	25%
OFE, S. de R.L. de C.V.	Mexico	33%
Trinity Industries de México	Mexico	33%
Trinity Servicos, S. de R.L. de C.V.	Mexico	50%
Trinity Servicos, S. de R.L. de C.V.	Mexico	50%
Trinity Canada Holding 1 ULC	Alberta	100%
Trinity Industries Canada LLP	Delaware	1%

Trinity Industries, Inc.
Active Subsidiaries as of December 31, 2017

Trinity Industries Canada ULC	Alberta	100%
Trinity Industries Canada Distribution Inc.	Alberta	100%
Platinum Energy Services ULC	Alberta	100%
Trinity Canada Holding 2 ULC	Alberta	100%
Trinity Industries Canada LLP	Delaware	99%
Trinity Industries Canada ULC	Alberta	100%
Platinum Energy Services ULC	Alberta	100%
Trinity Industries Leasing Company	Delaware	100%
RIV 2013 Rail Holdings LLC	Delaware	31% *
Trinity Rail Leasing 2012 LLC	Delaware	100%
RIV II, LLC	Delaware	100%
RIV III, LLC	Delaware	100%
TILX GP III, LLC	Delaware	100%
Trinity Rail Leasing III LP	Texas	1%
TILX LP III, LLC	Delaware	100%
Trinity Rail Leasing III LP	Texas	99%
TILX GP IV, LLC	Delaware	100%
Trinity Rail Leasing IV LP	Texas	1%
TILX LP IV, LLC	Delaware	100%
Trinity Rail Leasing IV LP	Texas	99%
TILX GP V, LLC	Delaware	100%
Trinity Rail Leasing V LP	Texas	1%
TILX LP V, LLC	Delaware	100%
Trinity Rail Leasing V LP	Texas	99%
Trinity Marks Company	Delaware	100%
Trinity Rail, Inc.	Delaware	100%
Trinity Rail Management, Inc.	Delaware	100%
TILX GP I, LLC	Delaware	100%
Trinity Rail Leasing I LP	Texas	1%
TILX LP I, LLC	Delaware	100%
Trinity Rail Leasing I LP	Texas	99%
TrinityRail Canada Inc.	Brit Columbia	100%
Trinity Rail Leasing 2010 LLC	Delaware	100%
Trinity Rail Leasing 2017 LLC	Delaware	100%
Trinity Rail Leasing VI LLC	Delaware	100%
Trinity Rail Leasing VII LLC	Delaware	100%
Trinity Rail Leasing Warehouse Trust	Delaware	100%
TRIP Rail Holdings LLC	Delaware	45% *
TRIP Rail Leasing LLC	Delaware	100%
TRIP Rail Master Funding LLC	Delaware	100%
Trinity Industries Metals Laboratory, Inc.	Delaware	100%
Trinity Industries Railcar Corporation	Delaware	100%
Trinity Logistics Group, Inc.	Texas	100%
Trinity Central Maintenance, LLC	Delaware	100%
Trinity Marine Products, Inc.	Delaware	100%
Trinity Composites, LLC	Delaware	100%
Trinity Marine Leasing, Inc.	Delaware	100%
Trinity Meyer Utility Structures, LLC	Delaware	100%
Trinity Mining and Construction Equipment, Inc.	Delaware	100%
Trinity Shoring Products, Inc.	Delaware	100%
Trinity EPI, LLC	Delaware	100%
Trinity Rail Group, LLC	Delaware	100%
Thrall International Holdings, LLC	Illinois	100%
Trinity Rail de Mexico, S. de R.L. de C.V.	Mexico	33%
Trinity Rail Sabinas, S. de R.L. de C.V.	Mexico	33%
Trinity North American Freight Car, Inc.	Delaware	100%

Trinity Industries, Inc.
Active Subsidiaries as of December 31, 2017

Trinity Parts & Components, LLC	Delaware	100%
McConway & Torley, LLC	Delaware	100%
Standard Forged Products, LLC	Delaware	100%
TrinityRail Maintenance Services, Inc.	Delaware	100%
MCM Railyard, LLC	Delaware	100%
Trinity Rail de Mexico, S. de R.L. de C.V.	Mexico	67%
Trinity Rail Sabinas, S. de R.L. de C.V.	Mexico	67%
Trinity Tank Car, Inc.	Delaware	100%
TrinityRail Products, LLC	Delaware	100%
TrinityRail Asset Management Company, Inc.	Delaware	100%
Trinity Structural Towers, Inc.	Delaware	100%
Trinity Traffic and Lighting Structures, LLC	Delaware	100%
TRN Services, LLC	Delaware	100%
Waldorf Properties, Inc.	Delaware	100%
Gambles, Inc.	Alabama	100%
McConway & Torley - Anniston, Inc.	Delaware	100%
Mosher Steel Company	Texas	100%
Platzer Shipyard, Inc.	Delaware	100%
Standard Forgings Corporation	Delaware	100%
Trinity Financial Services, Inc.	Delaware	100%

* Trinity Industries Leasing Company (TILC) is also the managing member of TRIP Rail Holdings, LLC and RIV 2013 Rail Holdings, LLC.

Exhibit 31.1

CERTIFICATION

I, Timothy R. Wallace, certify that:

1. I have reviewed this annual report on Form 10-K of Trinity Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2018

/s/ Timothy R. Wallace

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

Exhibit 31.2

CERTIFICATION

I, James E. Perry, certify that:

1. I have reviewed this annual report on Form 10-K of Trinity Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2018

/s/ James E. Perry

James E. Perry
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Trinity Industries, Inc. (the "Company") on Form 10-K for the period ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy R. Wallace, Chairman, Chief Executive Officer, and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company, as of, and for, the periods presented in the Report.

/s/ Timothy R. Wallace

Timothy R. Wallace
Chairman, Chief Executive Officer, and President
February 22, 2018

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Trinity Industries, Inc. (the "Company") on Form 10-K for the period ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James E. Perry, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company, as of, and for, the periods presented in the Report.

/s/ James E. Perry

James E. Perry
Senior Vice President and Chief Financial Officer
February 22, 2018

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 95

Mine Safety Disclosures

The Company owned or operated sand, gravel, shale, clay, and aggregate quarries during the year ended December 31, 2017. The Financial Reform Act ("Dodd-Frank") requires us to disclose in our periodic reports filed with the SEC, specific information about each of our quarries comprised of notices, violations, and orders[1] made by the Federal Mine Safety and Health Administration pursuant to the Federal Mine Safety and Health Act of 1977.

The following table is a summary of the reportable information required for our quarries that operated during the year ended December 31, 2017:

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed ($)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violation Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Rye (4102547)	—	—	—	—	—	$ —	—	No	No	—	—	—
Belton (4101043)	—	—	—	—	—	$ 116	—	No	No	—	—	—
Malloy Bridge (4102946)	—	—	—	—	—	$ —	—	No	No	—	—	—
Cottonwood (4104553)	—	—	—	—	—	$ 232 [1]	—	No	No	—	—	—
Wills Point (4104113)	—	—	—	—	—	$ 116	—	No	No	—	—	—
Indian Village (1600348)	—	—	—	—	—	$ 16	—	No	No	—	—	—
Kopperl (4104450)	—	—	—	—	—	$ 116	—	No	No	—	—	—
Wills Point II (4104071)	—	—	—	—	—	$ —	—	No	No	—	—	—
Asa (4104399)	—	—	—	—	—	$ 116	—	No	No	—	—	—
Paradise (4103253)	—	—	—	—	—	$ 116	—	No	No	—	—	—
Anacoco (1600543)	—	—	—	—	—	$ —	—	No	No	—	—	—
Streetman (4101628)	—	—	—	—	—	$ 464	—	No	No	—	—	—
Boulder (0504415)	—	—	—	—	—	$ 4,625	—	No	No	—	—	—
Frazier Park (0400555)	—	—	—	—	—	$ 464 [2]	—	No	No	—	—	—
Livingston (0100034)	—	—	—	—	—	$ 831	—	No	No	—	—	—
Erwinville (1600033)	—	—	—	—	—	$ 246	—	No	No	—	—	—
Brooks (1500187)	—	—	—	—	—	$ 116 [3]	—	No	No	—	—	—
Brooklyn (1200254)	—	—	—	—	—	$ — [4]	—	No	No	—	—	—

[1] Significant and Substantial (S&S) citations are reported on this form. Non-S&S citations are not reported on this form but any assessments resulting from non-S&S citations are reported.

[2] Eight non-S&S and two S&S citations were issued. Proposed penalty amount still pending.

[3] One S&S citation was issued. Proposed penalty amount still pending.

[4] Two non-S&S citations were issued. Proposed penalty amount still pending.