

TRINITY INDUSTRIES INC  
Form 10-Q  
April 30, 2014

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2014

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_ .

Commission File Number 1-6903

Trinity Industries, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or  
Organization)

75-0225040

(I.R.S. Employer Identification No.)

2525 N. Stemmons Freeway, Dallas, Texas

(Address of principal executive offices)

75207-2401

(Zip Code)

(214) 631-4420

(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

At April 15, 2014 the number of shares of common stock outstanding was 77,458,282.

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## PART I

## Item 1. Financial Statements

Trinity Industries, Inc. and Subsidiaries  
Consolidated Statements of Operations  
(unaudited)

	Three Months Ended March 31,	
	2014	2013
	(in millions, except per share amounts)	
Revenues:		
Manufacturing	\$1,018.3	\$798.5
Leasing	442.2	134.4
	1,460.5	932.9
Operating costs:		
Cost of revenues:		
Manufacturing	794.7	641.2
Leasing	279.3	69.9
	1,074.0	711.1
Selling, engineering, and administrative expenses:		
Manufacturing	49.5	42.7
Leasing	11.0	9.7
Other	23.1	16.6
	83.6	69.0
Gains (losses) on disposition of property, plant, and equipment:		
Net gains on railcar lease fleet sales owned more than one year at the time of sale	77.5	6.8
Other	10.9	(0.1)
	88.4	6.7
Total operating profit	391.3	159.5
Other (income) expense:		
Interest income	(0.4)	(0.4)
Interest expense	46.3	49.2
Other, net	(0.4)	(2.7)
	45.5	46.1
Income from continuing operations before income taxes	345.8	113.4
Provision for income taxes	112.5	41.2
Net income from continuing operations	233.3	72.2
Discontinued operations:		
Gain on sale of discontinued operations, net of provision for income taxes of \$- and \$5.4	—	7.0
Loss from discontinued operations, net of benefit for income taxes of \$0.2 and \$0.3	(0.3)	(0.4)
Net income	233.0	78.8
Net income (loss) attributable to noncontrolling interest	6.6	(0.3)
Net income attributable to Trinity Industries, Inc.	\$226.4	\$79.1
Net income attributable to Trinity Industries, Inc. per common share:		
Basic:		
Continuing operations	\$2.91	\$0.91

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Discontinued operations	—	0.08
	\$2.91	\$0.99
Diluted:		
Continuing operations	\$2.85	\$0.91
Discontinued operations	—	0.08
	\$2.85	\$0.99
Weighted average number of shares outstanding:		
Basic	75.1	76.9
Diluted	77.0	77.0
Dividends declared per common share	\$0.15	\$0.11
See accompanying notes to consolidated financial statements.		

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Consolidated Statements of Comprehensive Income  
(unaudited)

	Three Months Ended	
	March 31,	
	2014	2013
	(in millions)	
Net income	\$233.0	\$78.8
Other comprehensive income (loss):		
Derivative financial instruments:		
Unrealized losses arising during the period, net of tax benefit of \$0.4 and \$0.5	(1.2	) (0.7
Reclassification adjustments for losses included in net income, net of tax benefit of \$2.0 and \$2.8	4.3	4.6
Defined benefit plans:		
Amortization of net actuarial losses, net of tax benefit of \$0.1 and \$0.5	0.2	0.7
	3.3	4.6
Comprehensive income	236.3	83.4
Less: comprehensive income attributable to noncontrolling interest	7.3	0.4
Comprehensive income attributable to Trinity Industries, Inc.	\$229.0	\$83.0
See accompanying notes to consolidated financial statements.		

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Trinity Industries, Inc. and Subsidiaries  
 Consolidated Balance Sheets

	March 31, 2014 (unaudited) (in millions)	December 31, 2013
<b>ASSETS</b>		
Cash and cash equivalents	\$532.2	\$428.5
Short-term marketable securities	256.4	149.7
Receivables, net of allowance	421.4	372.7
Inventories:		
Raw materials and supplies	493.9	