

WABASH NATIONAL CORP /DE
Form 10-K
February 25, 2011

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

Form 10-K

(Mark One)

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

For the Fiscal Year Ended December 31, 2010

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: 1-10883

WABASH NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

52-1375208

(IRS Employer

Identification Number)

1000 Sagamore Parkway South
Lafayette, Indiana

(Address of Principal Executive
Offices)

47905

(Zip Code)

Registrant's telephone number, including area code: (765) 771-5300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.01 Par Value	New York Stock Exchange
Series D Preferred Share Purchase Rights	New York Stock Exchange

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 x

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 x

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 x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

L a r g e Accelerated filer Non-accelerated filer Smaller reporting company
accelerated filer

(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 Act). Yes No

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2010 was \$415,957,141 based upon the closing price of the Company's common stock as quoted on the New York Stock Exchange composite tape on such date.

The number of shares outstanding of the registrant's common stock as of February 21, 2011 was 68,303,569.

Part III of this Form 10-K incorporates by reference certain portions of the registrant's Proxy Statement for its Annual Meeting of Stockholders to be filed within 120 days after December 31, 2010.

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FORWARD LOOKING STATEMENTS

This Annual Report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). Forward-looking statements may include the words “may,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect,” “plan” or “anticipate” and other similar words. “forward-looking statements” include, but are not limited to, statements regarding:

- our business plan;
- our expected revenues, income or loss and capital expenditures;
- plans for future operations;
- financing needs, plans and liquidity;
- our ability to achieve sustained profitability;
- reliance on certain customers and corporate relationships;
- availability and pricing of raw materials;
- availability of capital;
- dependence on industry trends;
- the outcome of any pending litigation;
- export sales and new markets;
- engineering and manufacturing capabilities and capacity;
- acceptance of new technology and products;
- government regulation; and
- assumptions relating to the foregoing.

Actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in this Annual Report. Each forward-looking statement contained in this Annual Report reflects our management’s view only as of the date on which that forward-looking statement was made. We are not obligated to update forward-looking statements or publicly release the result of any revisions to them to reflect events or circumstances after the date of this Annual Report or to reflect the occurrence of unanticipated events, except as required by law.

Currently known risks and uncertainties that could cause actual results to differ materially from our expectations are described throughout this Annual Report, including in “Item 1A. Risk Factors”. We urge you to carefully review that section for a more complete discussion of the risks of an investment in our securities.

PART I

ITEM 1—BUSINESS

Founded in 1985 as a start-up company, Wabash National Corporation (“Wabash,” “Company,” “us,” “we” or “our”) is one of North America’s leaders in designing, manufacturing and marketing standard and customized truck trailers and related transportation equipment. We believe our position as a leader has been the result of our longstanding relationships with our core customers, our demonstrated ability to attract new customers, our broad and innovative product lines, our technological leadership and our large distribution and service network. Our management team is focused on continuing to size our manufacturing and retail operations to match the current demand environment, implementing our cost savings initiatives, strengthening our capital structure, developing innovative products, improving earnings and selective production introductions that meet the needs of our customers.

We seek to identify and produce proprietary products that offer exceptional value to customers with the potential to generate higher profit margins than those of standardized products. We believe that we have the engineering and manufacturing capability to produce these products efficiently. We introduced our proprietary composite product, DuraPlate®, in 1996. According to the most recent A.C.T. Research Company, LLC (ACT) estimates on total trailer industry shipments, composite trailers have achieved widespread industry acceptance accounting for approximately one out of every three dry van trailer shipments in 2010. Since 2002, sales of our DuraPlate® trailers represented approximately 91% of our total new dry van trailer sales. We are also a competitive producer of standardized sheet and post and refrigerated trailer products and we strive to become the low-cost producer of these products within our industry. Through our Transcraft subsidiary we also manufacture steel flatbed and dropdeck trailers. As part of our commitment to expand our customer base, diversify our revenues and extend our market leadership, Transcraft acquired in July 2008 certain operating assets of Benson International LLC, and its affiliates (Benson), a manufacturer of aluminum flatbeds, dump trailers and other truck bodies. In addition, in December 2008, the Company announced a multi-year agreement to build and service all of PODS®¹ portable storage container requirements as part of our strategy to leverage our DuraPlate® panel technology into other industry segments. We expect to continue a program of product development and selective acquisitions of quality proprietary products that further differentiate us from our competitors and increase shareholder value.

We market our transportation equipment under the Wabash®, DuraPlate®, DuraPlateHD®, FreightPro®, ArcticLite®, RoadRailer®, Transcraft®, Eagle®, Eagle II®, D-Eagle® and Benson® trademarks directly to customers, through independent dealers and through our Company-owned retail branch network. Historically, we have focused on our longstanding core customers representing many of the largest companies in the trucking industry. Our relationships with our core customers have been central to our growth since inception. We have also actively pursued the diversification of our customer base by focusing on what we refer to as the mid-market. These carriers, which represent over 2,100 carriers, operate fleets of between 250 to 7,500 trailers, which we estimate in total account for approximately two million trailers.

Longstanding core customers include – Averitt Express, Inc.; Crete Carrier Corporation; FedEx Corporation; Heartland Express, Inc.; Knight Transportation, Inc.; Old Dominion Freight Lines, Inc.; SAIA Motor Freightlines, Inc.; Safeway, Inc.; Schneider National, Inc.; Swift Transportation Corporation; U.S. Xpress Enterprises, Inc.; Werner Enterprises, Inc.; and YRC Worldwide, Inc.

Mid-market customers include – Baylor Trucking; Barr-Nunn Transportation, Inc.; C&S Wholesale Grocers, Inc.; CR England, Inc.; Cargo Transporters Inc; Celadon Group, Inc.; Con-way Truckload (formerly CFI); Cowan Systems, LLC; Dollar General Corporation; Frozen Food Express Industries, Inc.; Gordon Trucking, Inc.; Landair Transport, Inc.; New Penn Motor Express, Inc.; Prime, Inc.; Roehl Transport, Inc.; Star Transport, Inc.; USA Logistics; USF Corporation; and Xtra Lease, Inc.

Our 11 Company-owned full service retail branches provide additional opportunities to distribute our products and also offer nationwide services and support capabilities for our customers. In addition, we maintain three used fleet sales centers to focus on selling both large and small fleet trade packages to the wholesale market. Our retail branch network's sale of new and used trailers, aftermarket parts and service generally provides enhanced margin opportunities. We also utilize a network of 30 independent dealers with approximately 65 locations throughout North America to distribute our van trailers. In addition, we distribute our flatbed and dropdeck trailers through a network of 82 independent dealers with approximately 120 locations throughout North America.

Wabash was incorporated in Delaware in 1991 and is the successor by merger to a Maryland corporation organized in 1985. We operate in two reportable business segments: (1) manufacturing and (2) retail and distribution. Financial results by segment, including information about revenues from customers, measures of profit and loss, total assets, and financial information regarding geographic areas and export sales are discussed in Note 14, Segments and Related

Information, of the accompanying consolidated financial statements. Our internet website is www.wabashnational.com. We make our electronic filings with the Securities Exchange Commission (the "SEC"), including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports available on our website free of charge as soon as practicable after we file or furnish them with the SEC. Information on the website is not part of this Form 10-K.

1 PODS® is a registered trademark of PODS, Inc. and Pods Enterprises, Inc.

Strategy

We are committed to a corporate strategy that seeks to maximize shareholder value by executing on the core elements of our strategic plan:

- **Value Creation.** We intend to continue our focus on improved earnings and cash flow.
- **Operational Excellence.** We are focused on maintaining a reduced cost structure by adhering to continuous improvement and lean manufacturing initiatives.
- **People.** We recognize that in order to achieve our strategic goals we must continue to develop the organization's skills to advance our associates capabilities and to attract talented people.
- **Customer Focus.** We have been successful in developing longstanding relationships with core customers and we intend to maintain these relationships while expanding new customer relationships through the offering of tailored transportation solutions to create new revenue opportunities.
- **Innovation.** We intend to continue to be the technology leader by providing new differentiated products and services that generate enhanced profit margins.
- **Corporate Growth.** We intend to expand our product offering and competitive advantage by increasing our focus on the diversification of the products through our DuraPlate® Product Group and leveraging our intellectual and physical assets for organic growth.

Industry and Competition

Trucking in the U.S., according to the American Trucking Association (ATA), was estimated to be a \$660 billion industry in 2008. The ATA estimates that approximately 69% of all freight tonnage is carried by trucks at some point during its shipment. Trailer demand is a direct function of the amount of freight to be transported. As the economy improves, it is forecasted that truck carriers will need to expand and replace their fleets, which typically results in increased trailer orders.

Transportation in the U.S., including trucking, is a cyclical industry. Transportation has experienced three cycles over the last 20 years. Truck freight tonnage, according to ATA statistics, started declining year-over-year in 2006 and remained at depressed levels through 2009. However, the most recent ATA data shows that in 2010 freight tonnage increased approximately 6% from 2009. Three U.S. economic downturns have occurred during the last 20 years and in each instance the decline in freight tonnage preceded the general economic decline by approximately two and one-half years and its recovery has generally preceded that of the economy as a whole. The trailer industry generally follows the transportation industry, experiencing cycles in the early and late 90's lasting approximately 58 and 67 months, respectively. The most recent cycle began in early 2001 and, based on current ACT estimates, reached the bottom in 2009. While the trailer industry in 2010 recovered significantly from the previous year's low, the total trailer market for 2010 was still well below replacement demand levels. In our view, the sustainability of a recovery within the trailer industry will require improvements in general freight demand, improved credit markets and a recovery of the housing and construction markets. In addition, there are several different topics within state and federal legislative processes that could have a favorable impact on the demand for trailers in the near term, specifically the bonus depreciation provision for eligible capital investments, comprehensive safety programs for carriers and drivers as well as proposed rule changes regarding hours of service restrictions.

Wabash, and its two largest competitors, Great Dane and Utility, are generally viewed as the top three trailer manufacturers in the United States and have accounted for greater than 50% of U.S. new trailer market share in recent years, including approximately 59% in 2010. Our market share of U.S. total trailer shipments in 2010 was approximately 21%. Trailer manufacturers compete primarily through the quality of their products, customer relationships, service availability and cost. Over the past several years, we have seen a number of our competitors follow our leadership in the development and use of composite sidewalls that compete directly with our DuraPlate® products. Our product development is focused on maintaining our leading position with respect to these products.

The table below sets forth new trailer production for Wabash and, as provided by Trailer Body Builders Magazine, our largest competitors and the trailer industry as a whole within North America. The data represents all segments of the market, except containers and chassis. For the years included below, we have participated in the van, platform and dump trailer segments. Van production has declined from a high of approximately 198,000 trailers in 2006 to a low of approximately 50,000 trailers in 2009 while recovering to an estimated 89,000 trailers in 2010. Our market share for van trailers in 2010 was approximately 29%, an increase of approximately 8% from 2009 due to increased market demand in the dry van market, our largest segment, as compared to the refrigerated trailer market.

	2010	2009	2008	2007	2006
Wabash(1)	27,000	12,000	32,000	46,000	60,000(2)
Great Dane	21,000	15,000	29,000	48,000	60,000
Utility	23,000	17,000	23,000	31,000	37,000
Hyundai Translead	8,000	5,000	7,000	13,000	14,000
Stoughton	5,000	3,000	5,000	11,000	19,000
Other principal producers	19,000	12,000	20,000	25,000	40,000
Total Industry	121,000	79,000(3)	143,000(3)	218,000(3)	283,000(3)

(1) Does not include approximately 700 intermodal containers in 2006.

(2) The 2006 production includes Transcraft volumes on a full-year pro forma basis.

(3) Data revised by publisher in a subsequent year.

Competitive Strengths

We believe our core competitive strengths include:

- Long-Term Core Customer Relationships – We are the leading provider of trailers to a significant number of top tier trucking companies, generating a revenue base that has helped to sustain us as one of the market leaders.
- Innovative Product Offerings – Our DuraPlate® proprietary technology offers what we believe to be a superior trailer, which commands premium pricing. A DuraPlate® trailer is a composite plate trailer using material that contains a high-density polyethylene core bonded between high-strength steel skins. We believe that the competitive advantages of our DuraPlate® trailers compared to standard trailers include the following:
 - Extended Service Life – operate three to five years longer;
 - Lower Total Cost of Ownership – less costly to maintain;
 - Less Downtime – higher utilization for fleets;
 - Extended Warranty – warranty period for DuraPlate® panels is ten years; and
 - Improved Resale – higher trade-in values.

We have been manufacturing DuraPlate® trailers for over 15 years and through December 2010 have sold over 400,000 trailers. This proven experience, combined with ownership and knowledge of the DuraPlate® panel technology, helps ensure continued industry leadership in the future. We have also successfully introduced innovations in our ArcticLite® refrigerated trailers and other product lines, including the DuraPlateHD® trailer and the FreightPro® sheet and post trailer.

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Significant Market Share and Brand Recognition – We have been one of the three largest manufacturers of trailers in North America since 1994, with one of the most widely recognized brands in the industry. We are one of the largest producers of van trailers in North America. According to Trailer Body Builders Magazine, our Transcraft subsidiary has been one of the top three leading producers of platform trailers in each year since our acquisition in March 2006.

- Committed Focus on Operational Excellence – Safety, quality, on-time delivery, productivity and cost reduction are the core elements of our program of continuous improvement. We currently maintain an ISO 14001 registration of our Environmental Management System.

- **Technology** – We are recognized by the trucking industry as a leader in developing technology to reduce trailer maintenance costs. In 2010, we were selected to partner with Navistar International in a five year venture funded by the U.S. Department of Energy to develop a Class 8 Super Truck (tractor-trailer combination) capable of a 50% improvement in fuel efficiency when compared to today’s best technology. As the exclusive trailer partner, we will be responsible for developing and building a proof-of-concept, scale model and full size test trailers for wind tunnel and test track evaluation. The selection of Wabash as the exclusive trailer partner in this venture is a clear confirmation of our recognition as the market leader in innovative efforts with respect to over-the-highway trailer design and construction. In addition, over the past couple of years we have had several industry innovations including the following: a revolutionary 35,000 pound concentrated floor load rated dry van for heavy haul applications; a tire haul trailer to provide a cost effective transport of large tires; TrustLock®, a proprietary single-lock rear door mechanism; and, DuraPlate® Aeroskirt®, a durable aerodynamic solution that based on our testing provides improved fuel efficiencies of approximately 6%.
- **Corporate Culture** – We benefit from an experienced, value-driven management team and dedicated workforce focused on operational excellence.
- **Extensive Distribution Network** – Our 11 Company-owned retail branches and three used trailer locations extend our sales network throughout North America, diversify our factory direct sales, provide an outlet for used trailer sales and support our national service contracts. Additionally, we utilize a network of 30 independent dealers with approximately 65 locations throughout North America to distribute our van trailers, and our Transcraft distribution network consists of 82 independent dealers with approximately 120 locations throughout North America.

Regulation

Truck trailer length, height, width, maximum weight capacity and other specifications are regulated by individual states. The federal government also regulates certain safety features incorporated in the design and use of truck trailers. These regulations include, but are not limited to, requirements on anti-lock braking systems (ABS) and rear-impact guard standards as well as operator restrictions as to hours of service and minimum driver safety standards (see “Industry Trends”). Manufacturing operations are subject to environmental laws enforced by federal, state and local agencies (see "Environmental Matters").

Products

Since our inception, we have expanded our product offerings from a single truck trailer product to a broad range of trailer-related transportation equipment. Our manufacturing segment specializes in the development of innovative proprietary products for our key markets. Manufacturing segment sales represented approximately 85%, 79% and 83% of consolidated Wabash net sales in 2010, 2009 and 2008, respectively. Our current transportation equipment and DuraPlate® products primarily include the following:

- **Dry Vans.** The dry van market represents our largest product line and includes trailers sold under DuraPlate®, DuraPlateHD®, and FreightPro® trademarks. Our DuraPlate® trailers utilize a proprietary technology that consists of a composite plate wall for increased durability and greater strength. Our FreightPro® trailers provide us a competitive product within the smooth aluminum, or “sheet and post”, trailer segment.
- **Platform Trailers.** Platform trailers are sold under Transcraft®, Eagle® and Benson® trademarks. The acquisition of certain assets from Benson in July 2008 provides us the ability to offer a premium all-aluminum platform trailer. Platform trailers consist of a trailer chassis with a flat or “drop” loading deck without permanent sides or a roof. These trailers are primarily utilized to haul steel coils, construction materials and large equipment.

- **Refrigerated Trailers.** Refrigerated trailers have insulating foam in the walls, roof and floor, which improves both the insulation capabilities and durability of the trailers. Our refrigerated trailers are sold under the ArticLite® trademark and use our proprietary SolarGuard® technology, coupled with our novel foaming process, which we believe enables customers to achieve lower costs through reduced operating hours of refrigeration equipment and therefore reduced fuel consumption.
- **RoadRailer® Equipment.** The RoadRailer® intermodal system is a patented bimodal technology consisting of a truck trailer and a detachable rail “bogie” that permits a trailer to run both over the highway and directly on railroad lines.
- **Dump Equipment.** The acquisition of certain assets from Benson in July 2008 provides the ability to offer premium aluminum and steel dump equipment sold under the name of Benson®. This dump equipment is primarily used in the coal industry.
- **DuraPlate® Products.** The DuraPlate® Products Group was initiated in 2008 to expand the use of DuraPlate® composite panels, already a proven product in the semi-trailer market for over 15 years, into new product and market applications, including building and servicing all of PODS® portable storage container requirements with our new DuraPlate® container. We are actively exploring new opportunities to leverage proprietary technology into new industries and applications and in 2009 introduced our EPA Smartway®2 approved DuraPlate® Aeroskirt®.

Our retail and distribution segment offers products in three general categories: new trailers, used trailers and parts and service. The following is a description of each product category:

- We sell new trailers produced by the manufacturing segment. Additionally, we sell specialty trailers produced by third parties that are purchased in smaller quantities for local or regional transportation needs. New trailer sales through the retail branch network represented approximately 6%, 6% and 8% of consolidated net sales in 2010, 2009 and 2008, respectively.
- We provide replacement parts and accessories and maintenance service for trailers and other related equipment. Parts and service sales represented approximately 6%, 10% and less than 5% of consolidated net sales in 2010, 2009 and 2008, respectively.
- We sell used trailers including units taken in trade from our customers upon the sale of new trailers. The ability to remarket used trailers promotes new trailer sales by permitting trade-in allowances and offering customers an outlet for the disposal of used equipment. Used trailer sales represented less than 6% of consolidated net sales in 2010, 2009 and 2008.

Customers

Our customer base has historically included many of the nation’s largest truckload common carriers, leasing companies, private fleet carriers, less-than-truckload (LTL) common carriers and package carriers. We successfully diversified our customer base from approximately 60% of total trailers sold to large core customers in 2002 to approximately 30% in 2010 by continuing to expand our customer base and by diversifying into the broader trailer market through the recent acquisitions of Transcraft and Benson assets. In addition, we continue to diversify our products by expanding the use of DuraPlate® composite panels through portable storage containers, DuraPlate® Aeroskirts® and truck bodies. All of these efforts have been accomplished while maintaining our relationships with our core customers. Our five largest customers together accounted for approximately 32%, 41% and 35% of our aggregate net sales in 2010, 2009 and 2008, respectively, with two different customers representing approximately 10% and 14% of our net sales in 2010 and 2009, respectively. International sales, primarily to Canadian customers,

accounted for less than 10% of net sales for each of the last three years.

We have established relationships as a supplier to many large customers in the transportation industry, including the following:

2 EPA Smartway® is a registered trademark of U.S. Environmental Protection Agency (EPA)

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- Truckload Carriers: Averitt Express, Inc.; Crete Carrier Corporation; Heartland Express, Inc.; Knight Transportation, Inc.; Schneider National, Inc.; Swift Transportation Corporation; U.S. Xpress Enterprises, Inc.; and Werner Enterprises, Inc.
 - Leasing Companies: GE Trailer Fleet Services; and Xtra Lease, Inc.
 - Private Fleets: C&S Wholesale Grocers, Inc.; Dillard's, Inc.; Dollar General Corporation; and Safeway, Inc.
- Less-Than-Truckload Carriers: FedEx Corporation; Old Dominion Freight Lines, Inc.; SAIA Motor Freightlines, Inc.; Vitran Express, Inc.; and YRC Worldwide, Inc.

Marketing and Distribution

We market and distribute our products through the following channels:

- factory direct accounts;
- Company-owned distribution network; and
- independent dealerships.

Factory direct accounts are generally large fleets, with over 7,500 trailers, that are high volume purchasers. Historically, we have focused on the factory direct market in which customers are highly knowledgeable of the life-cycle costs of trailer equipment and, therefore, are best equipped to appreciate the design and value-added features of our products. We have also actively pursued through our Company-owned and independent dealer network the diversification of our customer base focusing on what we refer to as the mid-market. These approximately 2,100 carriers operate fleets of between 250 to 7,500 trailers, which we estimate in total account for approximately two million trailers. Since implementing our mid-market sales strategy in late 2003, we have added approximately 320 new mid-market customers accounting for approximately 22,000 new trailer orders.

Our Company-owned distribution network generates retail sales of trailers to smaller fleets and independent operators located in geographic regions where our branches are located. This branch network enables us to provide maintenance and other services to customers. The branch network and our used trailer centers provide an outlet for used trailers taken in trade upon the sale of new trailers, which is a common practice with fleet customers.

We also sell our van trailers through a network of 30 independent dealers with approximately 65 locations throughout North America. Our platform trailers are sold through 82 independent dealers with approximately 120 locations throughout North America. The dealers primarily serve mid-market and smaller sized carriers and private fleets in the geographic region where the dealer is located and occasionally may sell to large fleets. The dealers may also perform service work for our customers.

Raw Materials

We utilize a variety of raw materials and components including specialty steel coil, plastic, aluminum, lumber, tires, landing gear, axles and suspensions, which we purchase from a limited number of suppliers. Costs of raw materials and component parts represented approximately 75%, 75% and 74% of our consolidated net sales in 2010, 2009 and 2008, respectively. Significant price fluctuations or shortages in raw materials or finished components has had, and could have further, adverse affects on our results of operations. In 2011 and for the foreseeable future, we expect that the raw materials used in the greatest quantity will be steel, aluminum, plastic and wood. Our suppliers of raw

material and components have advised us that they have adequate capacity to meet our current and expected demands during 2011, but if the demand for their products increases then their lead-times may increase as well, or they could place us on allocation, which has happened in the past. For 2011, we expect there to be continued price volatility for our primary commodity raw materials, including aluminum, steel and plastic along with significant component pricing, including tires. Our Harrison, Arkansas laminated hardwood floor facility provides the majority of our requirements for trailer floors.

Backlog

Orders that have been confirmed by customers in writing and can be produced during the next 18 months are included in our backlog. Orders that comprise our backlog may be subject to changes in quantities, delivery, specifications and terms or cancellation. Our backlog of orders at December 31, 2010 and 2009 were approximately \$480 million and \$137 million, respectively. We expect to complete the majority of our existing backlog orders within the next 12 months.

Patents and Intellectual Property

We hold or have applied for 58 patents in the U.S. on various components and techniques utilized in our manufacture of transportation equipment. In addition, we hold or have applied for 68 patents in foreign countries. Our patents include intellectual property related to the manufacture of trailers using our proprietary DuraPlate® product, which we believe offers us a significant competitive advantage. The patents in our DuraPlate® portfolio have expiration dates ranging from 2011 to 2024. In addition, we have applied for, or been granted, patents in the United States and foreign countries relating to innovative product designs or design improvements, which were first developed by Wabash National and have become highly desirable in our industry. In our view there are no meaningful patents having an expiration date prior to 2016.

We also hold or have applied for 38 trademarks in the U.S., as well as 31 trademarks in foreign countries. These trademarks include the Wabash®, Wabash National®, Transcraft® and Benson® brand names as well as trademarks associated with our proprietary products such as DuraPlate®, RoadRailer®, Eagle® and Benson® trailers. We believe these trademarks are important for the identification of our products and the associated customer goodwill; however, our business is not materially dependent on such trademarks.

Research and Development

Research and development expenses are charged to earnings as incurred and were \$0.9 million, \$1.2 million and \$3.2 million in 2010, 2009 and 2008, respectively.

Environmental Matters

Our facilities are subject to various environmental laws and regulations, including those relating to air emissions, wastewater discharges, the handling and disposal of solid and hazardous wastes, and occupational safety and health. Our operations and facilities have been and in the future may become the subject of enforcement actions or proceedings for non-compliance with such laws or for remediation of company-related releases of substances into the environment. Resolution of such matters with regulators can result in commitments to compliance abatement or remediation programs and in some cases the payment of penalties (see Item 3 “Legal Proceedings”).

We believe that our facilities are in substantial compliance with applicable environmental laws and regulations. Our facilities have incurred, and will continue to incur, capital and operating expenditures and other costs in complying with these laws and regulations. However, we currently do not anticipate that the future costs of environmental compliance will have a material adverse effect on our business, financial condition or results of operations.

Employees

As of December 31, 2010 and 2009, we had approximately 1,800 and 1,600 full-time associates, respectively. Throughout 2010, all of our active associates were non-union. As the demand for trailers increased throughout 2010, we also increased our temporary associates from approximately 5% of our production workforce as

of December 31, 2009 to approximately 50% throughout the second half of 2010 in order to meet our customer demand. We place a strong emphasis on employee relations through educational programs and quality improvement teams. We believe our employee relations are good.

Executive Officers of Wabash National Corporation

The following are the executive officers of the Company:

Name	Age	Position
Richard J. Giromini	57	President and Chief Executive Officer, Director
Rodney P. Ehrlich	64	Senior Vice President – Chief Technology Officer
Bruce N. Ewald	59	Senior Vice President – Sales and Marketing
Timothy J. Monahan	58	Senior Vice President – Human Resources
Erin J. Roth	35	Senior Vice President – General Counsel and Secretary
Mark J. Weber	39	Senior Vice President – Chief Financial Officer

Richard J. Giromini. Mr. Giromini was promoted to President and Chief Executive Officer on January 1, 2007. He had been Executive Vice President and Chief Operating Officer from February 28, 2005 until December 2005 when he was appointed President and a Director of the Company. Prior to that, he had been Senior Vice President - Chief Operating Officer since joining the Company on July 15, 2002. Mr. Giromini was with Accuride Corporation from April 1998 to July 2002, where he served in capacities as Senior Vice President - Technology and Continuous Improvement; Senior Vice President and General Manager - Light Vehicle Operations; and President and CEO of AKW LP. Previously, Mr. Giromini was employed by ITT Automotive, Inc. from 1996 to 1998 serving as the Director of Manufacturing. Mr. Giromini also serves on the board of directors of Robbins & Myers, Inc., a global supplier of highly engineered equipment and systems for critical applications in energy, industrial, chemical and pharmaceutical markets, which he joined in October 2008. Mr. Giromini holds a Bachelor of Science degree in mechanical and industrial engineering and a Master of Science degree in industrial management, both from Clarkson University. He is a graduate of the Advanced Management Program at the Duke University Fuqua School of Management.

Rodney P. Ehrlich. Mr. Ehrlich has been Senior Vice President – Chief Technology Officer of the Company since January 2004. From 2001 to 2003, Mr. Ehrlich was Senior Vice President of Product Development. Mr. Ehrlich has been in charge of the Company's engineering operations since the Company's founding. Prior to Wabash National, Mr. Ehrlich started with Monon Trailer Corporation in 1963 working various positions until becoming Chief Engineer in 1973, Director of Engineering in 1978, and serving until joining the founders of Wabash National in 1985. Mr. Ehrlich has obtained over 50 patents in trailer related design during his 47 year trailer career. Mr. Ehrlich holds a Bachelor of Science degree in Mechanical Engineering from Purdue University.

Bruce N. Ewald. Mr. Ewald's original appointment was Vice President and General Manager of Wabash National Trailer Centers, Inc. when he joined the Company in March 2005. In October 2005, he was promoted to Senior Vice President – Sales and Marketing. Mr. Ewald has nearly 30 years experience in the transportation industry. Most recently, Mr. Ewald was with PACCAR from 1991 to February 2005 where he served in a number of executive-level positions. Prior to PACCAR, Mr. Ewald spent 10 years with Genuine Parts Co. where he served in several positions, including President and General Manager, Napa Auto Parts/Genuine Parts Co. Mr. Ewald holds a Bachelor of Science degree in Business from the University of Minnesota.

Timothy J. Monahan. Mr. Monahan has been Senior Vice President – Human Resources since joining the Company in October 2003. Prior to Wabash, Mr. Monahan was with Textron Fastening Systems from 1999 to October 2003 where he served as Vice President – Human Resources for the Commercial Solutions Group and later Global Vice President – Human Resources. Previously, Mr. Monahan served in a variety of key executive roles at Beloit Corporation, Ingersoll Cutting Tools and Regal Beloit Corporation, including Vice President – Human Resources at both Beloit's Mill Pro and Paper Machinery Groups. Mr. Monahan serves on the board of directors of Global Specialty Solutions, a global producer of special cutting tools and tooling solutions. He holds a Bachelor of Science

degree from Milton College and has attended several executive management programs, including the Duke University Fuqua School of Management where he completed the Advanced Executive Management Program.

Erin J. Roth. Effective January 1, 2011, Ms. Roth was promoted to the position of Senior Vice President – General Counsel and Secretary, following her appointment on March 1, 2010 to the position of Vice President – General Counsel and Secretary. Ms. Roth joined the Company in March 2007 as Corporate Counsel and was promoted in July 2009 to Senior Corporate Counsel. For the five years prior to joining the Company, Ms. Roth was engaged in the private practice of law with Barnes & Thornburg, LLP, representing a number of private and public companies throughout the United States. Ms. Roth earned her Bachelor of Science degree in Accounting from Butler University and her Juris Doctorate from the Georgetown University Law Center.

Mark J. Weber. Mr. Weber was promoted to Senior Vice President – Chief Financial Officer on August 31, 2009. Mr. Weber joined the Company in August 2005 as Director of Internal Audit, was promoted in February 2007 to Director of Finance, and in November 2007 he was promoted to Vice President and Corporate Controller. Prior to joining the Company, Mr. Weber was with Great Lakes Chemical Corporation from October 1995 through August 2005 where he served in several positions of increasing responsibility within accounting and finance, including Vice President of Finance. Mr. Weber earned his Master's of Business Administration and Bachelor of Science in Accounting from Purdue University's Krannert School of Management.

ITEM 1A—RISK FACTORS

You should carefully consider the risks described below in addition to other information contained or incorporated by reference in this Annual Report before investing in our securities. Realization of any of the following risks could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Risks Related to Our Business, Strategy and Operations

Our results of operations have declined significantly in recent periods, and the impact of the current global economic downturn and its effects on our industry could continue to harm our operations and financial performance.

As of December 31, 2010, our stockholders' equity totaled \$129.0 million. For the three years ending December 31, 2010 and excluding the impact of the goodwill impairment recorded in 2008, we have recorded net losses from operations totaling \$119.0 million. These accumulated net operating losses reflect the conditions in the markets we serve and the general condition of the global economy. We believe that the overall industry in which we operate has been affected similarly during this period. The global economic downturn has caused demand for new trailers to decline and has led to, in some cases, the cyclical timeframe for trailer replacement to be delayed due to economic pressures. For example, according to a February 2011 report by ACT, total trailer industry shipments for the years ending 2010, 2009 and 2008 were approximately 120,000 trailers, 79,000 trailers and 143,000 trailers, respectively. By comparison, each of these years are significantly below both the total trailer industry shipments in 2007 of 213,000 and the industry replacement demand levels of approximately 185,000 trailers. ACT is estimating 2011 trailer volumes to be approximately 195,000, representing an increase of approximately 63% from the previous year. Even with the forecasted recovery within the trailer manufacturing industry, we cannot make any assurances that we will be profitable in future periods or, if we do become profitable, that we will be able to sustain or increase profitability in the future. Achieving profitability will be dependant on several factors, including but not limited to our ability to increase our overall trailer volumes, improve our product diversification efforts and manage our expenses. If we are unable to generate profitability in the future, we may not be able to meet our requirements under our revolving credit facility.

We continue to be affected by the global economy, especially the credit markets, as well as the decline in the housing and construction-related markets in the U.S. The same general economic concerns faced by us are also faced by our customers. We believe that some of our customers are highly leveraged, have limited access to capital, and may be reliant on liquidity from global credit markets and other sources of external financing. If the current conditions impacting the credit markets and general economy are prolonged, we may be faced with unexpected delays in product purchases or the loss of customers, which could further materially impact our financial position, results of operations and cash flow. Further, lack of liquidity by our customers could impact our ability to collect amounts owed to us. While we have taken steps to address these concerns through the implementation of our strategic plan, we are not immune to the pressures being faced by our industry or the global economy, and our results of operations may decline.

Our ability to fund operations is limited by our cash on hand and available borrowing capacity under our revolving credit facility.

As of December 31, 2010, our liquidity position, defined as cash on hand and available borrowing capacity, amounted to \$60.4 million. Our ability to fund our working capital needs and capital expenditures is limited by the net cash provided by operations, cash on hand and available borrowings under our revolving credit facility. Additional declines in net cash provided by operations, further decreases in the availability under the revolving credit facility or changes in the credit our suppliers provide to us, could rapidly exhaust our liquidity. However, we believe our liquidity on December 31, 2010 of \$60.4 million will be adequate to fund expected operating results, working capital requirements and capital expenditures throughout 2011, which we expect to be a period of economic recovery within the trailer manufacturing industry. However, if needed, our inability to increase liquidity would adversely impact our future performance, operations and results of operations.

Our revolving credit facility contains several restrictive covenants that, if breached, could limit our financial and operating flexibility and subject us to other risks.

Our revolving credit facility includes certain financial covenants that, if not met, would trigger an event of default and our lenders may declare all amounts outstanding under our debt agreement, together with any accrued interest, to be immediately due and payable.

Our revolving credit facility requires that we maintain a certain minimum level of availability throughout the duration of the agreement. Pursuant to the revolving credit facility, if the availability under our revolving credit facility is less than \$15,000,000 at any time before the earlier of (i) August 14, 2011 or (ii) the date that monthly financial statements are delivered for the month ending June 30, 2011, we are required to maintain a varying minimum EBITDA and are restricted in the amount of capital expenditures it can make during such period. If our availability is less than \$20,000,000 thereafter, we are required to maintain a fixed charge coverage ratio for the 12 month period ending on the last day of the calendar month that ended most recently prior to such time of not less than 1.10 to 1.0, which could limit our ability to make capital expenditures.

The revolving credit facility also contains customary events of default including, without limitation, failure to pay obligations when due under the revolving credit facility, false and misleading representations, breaches of covenants (subject in some instances to cure and grace periods), defaults by us on certain other indebtedness, the occurrence of certain uninsured losses, business disruptions for a period of time that materially adversely affects the capacity to continue business on a profitable basis, changes of control and the incurrence of certain judgments that are not stayed, released or discharged within 30 days.

Due to the amount of our excess availability, as calculated under the revolving credit facility, we are currently in compliance with all covenants. Our ability to comply with our credit facility in the future may be affected by events beyond our control, including prevailing economic, financial and industry conditions.

Our business is highly cyclical, which has had, and could have further, adverse effects on our sales and results of operations.

The truck trailer manufacturing industry historically has been and is expected to continue to be cyclical, as well as affected by overall economic conditions. Customers historically have replaced trailers in cycles that run from five to 12 years, depending on service and trailer type. Poor economic conditions can adversely affect demand for new trailers and have historically, and has currently, led to an overall aging of trailer fleets beyond this typical replacement cycle. Customers' buying patterns can also reflect regulatory changes, such as federal hours-of-service rules and federal emissions standards.

While we have taken steps to diversify through the implementation of our strategic plan, we are subject to the cyclical nature of our business. As a result, during downturns, we operate with a lower level of backlog and have had to temporarily slow down or halt production at some or all of our facilities, including extending normal shut down periods and reducing salaried headcount levels. We could be forced to further slow down or halt additional production. An economic downturn may reduce, and in the past has reduced, demand for trailers, resulting in lower sales volumes, lower prices and decreased profits and losses.

A change in our customer relationships or in the financial condition of our customers has had, and could have further, adverse effects on our business.

We have longstanding relationships with a number of large customers to whom we supply our products. We do not have long-term agreements with these customers. Our success is dependent, to a significant extent, upon the continued strength of these relationships and the growth of our core customers. We often are unable to predict the level of demand for our products from these customers, or the timing of their orders. In addition, the same economic conditions that adversely affect us also often adversely affect our customers and in the current environment have led to reduced demand. As some of our customers are highly leveraged and have limited access to capital, their continued existence may be uncertain. The loss of a significant customer or unexpected delays in product purchases could further adversely affect our business and results of operations.

Demand for new trailers has been and will continue to be sensitive to economic conditions over which we have no control and that may further adversely affect our revenues and profitability.

Demand for trailers is sensitive to changes in economic conditions such as the level of employment, consumer confidence, consumer income, new housing starts, government regulations and the availability of financing and interest rates. The status of these economic conditions periodically have an adverse effect on truck freight and the demand for and the pricing of our trailers, and have resulted in, and could lead to further, result in the inability of customers to meet their contractual terms or payment obligations, which could further cause our operating revenues and profits to decline.

Our backlog is not necessarily indicative of the level of our future revenues.

Our backlog represents future production for which we have written orders from our customers that can be produced or sold in the next 18 months. Orders that comprise our backlog may be subject to changes in quantities, delivery, specifications and terms, or cancellation, and our reported backlog may not be converted to revenue in any particular period and actual revenue from such orders may not equal our backlog revenues. Therefore, our backlog is not necessarily indicative of the level of our future revenues.

Our technology and products may not achieve market acceptance or competing products could gain market share, which could adversely affect our competitive position.

We continue to optimize and expand our product offerings to meet our customer needs through our established brands, such as DuraPlate®, DuraPlateHD®, FreightPro®, ArcticLite®, Transcraft Eagle® and Benson®. While we target product development to meet customer needs, there is no assurance that our product development efforts will be embraced and that we will meet our sales projections. Companies in the truck transportation industry, a very fluid industry in which our customers primarily operate, make frequent changes to maximize their operations and profits.

Over the past several years, we have seen a number of our competitors follow our leadership in the development and use of composite sidewalls that compete directly with our DuraPlate® products. Our product development is focused on maintaining our leadership on these products but competitive pressures may erode our market share or margins. We continue to take steps to protect our proprietary rights in our products. However, the steps we have taken to protect them may not be sufficient or may not be enforced by a court of law. If we are unable to protect our intellectual properties, other parties may attempt to copy or otherwise obtain or use our products or technology. If competitors are able to use our technology, our ability to effectively compete could be harmed. In addition, litigation related to intellectual property could result in substantial costs and efforts which may not result in a successful outcome.

We have a limited number of suppliers of raw materials and components; increases in the price of raw materials or the inability to obtain raw materials could adversely affect our results of operations.

We currently rely on a limited number of suppliers for certain key components and raw materials in the manufacturing of our products, such as tires, landing gear, axles, suspensions and specialty steel coil used in DuraPlate® panels. From time to time, there have been and may in the future be shortages of supplies of raw materials or components, or our suppliers may place us on allocation, which would have an adverse impact on our ability to meet demand for our products. Shortages and allocations may result in inefficient operations and a build-up of inventory, which can negatively affect our working capital position. In addition, any price volatility in commodity pricing has had and could continue to have negative impacts to our operating margins. The loss of any of our suppliers or their inability to meet our price, quality, quantity and delivery requirements could have a significant impact on our results of operations.

Disruption of our manufacturing operations would have an adverse effect on our financial condition and results of operations.

We manufacture our products at two van trailer manufacturing facilities in Lafayette, Indiana, a flatbed and dump-body trailer facility in Cadiz, Kentucky, and a hardwood floor facility in Harrison, Arkansas. An unexpected disruption in our production at any of these facilities for any length of time would have an adverse effect on our business, financial condition and results of operations.

The inability to attract and retain key personnel could adversely affect our results of operations.

Our ability to operate our business and implement our strategies depends, in part, on the efforts of our executive officers and other key employees. Our future success depends, in large part, on our ability to attract and retain qualified personnel, including manufacturing personnel, sales professionals and engineers. The unexpected loss of services of any of our key personnel or the failure to attract or retain other qualified personnel could have a material adverse effect on the operation of our business.

We rely significantly on our integrated Enterprise Resource Planning (ERP) solution to support our operations.

We rely on an ERP system and telecommunications infrastructure to integrate departments and functions, to enhance the ability to service customers, to improve our control environment and to manage our cost reduction initiatives. Any issues involving our critical business applications and infrastructure may adversely impact our ability to manage operations and the customers we serve.

Significant competition in the industry in which we operate may result in our competitors offering new or better products and services or lower prices, which could result in a loss of customers and a decrease in our revenues.

The truck trailer manufacturing industry is highly competitive. We compete with other manufacturers of varying sizes, some of which have substantial financial resources. Trailer manufacturers compete primarily on the quality of their products, customer relationships, service availability and cost. Barriers to entry in the standard truck trailer manufacturing industry are low. As a result, it is possible that additional competitors could enter the market at any time. In the recent past, manufacturing over-capacity and high leverage of some of our competitors, along with bankruptcies and financial stresses that affected the industry, contributed to significant pricing pressures.

If we are unable to compete successfully with other trailer manufacturers, we could lose customers and our revenues may decline. In addition, competitive pressures in the industry may affect the market prices of our new and used equipment, which, in turn, may adversely affect our sales margins and results of operations.

We are subject to extensive governmental laws and regulations, and our costs related to compliance with, or our failure to comply with, existing or future laws and regulations could adversely affect our business and results of operations.

The length, height, width, maximum weight capacity and other specifications of truck trailers are regulated by individual states. The federal government also regulates certain truck trailer safety features, such as lamps, reflective devices, tires, air-brake systems and rear-impact guards. Changes or anticipation of changes in these regulations can have a material impact on our financial results, as our customers may defer purchasing decisions and we may have to re-engineer products. We are subject to various environmental laws and regulations dealing with the transportation, storage, presence, use, disposal and handling of hazardous materials, discharge of storm water and underground fuel storage tanks and may be subject to liability associated with operations of prior owners of acquired property. In addition, we are subject to laws and regulations relating to the employment of our associates and labor-related

practices.

If we are found to be in violation of applicable laws or regulations in the future, it could have an adverse effect on our business, financial condition and results of operations. Our costs of complying with these or any other current or future regulations may be material. In addition, if we fail to comply with existing or future laws and regulations, we may be subject to governmental or judicial fines or sanctions.

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Product liability and other legal claims could have an adverse effect on our financial condition and results of operations.

As a manufacturer of products widely used in commerce, we are subject to product liability claims and litigation, as well as warranty claims. From time to time claims may involve material amounts and novel legal theories, and any insurance we carry may prove inadequate to insulate us from material liabilities for these claims.

In addition to product liability claims, we are subject to legal proceedings and claims that arise in the ordinary course of business, such as workers' compensation claims, OSHA investigations, employment disputes and customer and supplier disputes arising out of the conduct of our business. Litigation may result in substantial costs and may divert management's attention and resources from the operation of our business, which could have a material adverse effect on our business, results of operations or financial condition.

Risks Related to an Investment in Our Common Stock

Our common stock has experienced, and may continue to experience, price volatility and a low trading volume.

The trading price and volume of our common stock has been and may continue to be subject to large fluctuations. The market price and volume of our common stock may increase or decrease in response to a number of events and factors, including:

- trends in our industry and the markets in which we operate;
- changes in the market price of the products we sell;
- the introduction of new technologies or products by us or by our competitors;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- operating results that vary from the expectations of securities analysts and investors;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures, financings or capital commitments;
 - changes in laws and regulations;
 - general economic and competitive conditions; and
 - changes in key management personnel.

This volatility may adversely affect the prices of our common stock regardless of our operating performance. To the extent that the price of our common stock declines, our ability to raise funds through the issuance of equity or otherwise use our common stock as consideration will be reduced. These factors may limit our ability to implement our operating and growth plans.

In connection with our issuance of preferred stock and the common stock warrant, certain provisions of the terms of our preferred stock may discourage third parties from seeking to acquire us.

Certain provisions of the documents governing our preferred stock may discourage third parties from seeking to acquire the Company. In particular, in the event of a change of control, defined as more than 50% of the voting power is transferred or acquired by any person other than Trailer Investments or its affiliates, occurs within twelve months of the date of the preferred stock was redeemed (or on or before May 28, 2011) our preferred stock has a mandatory redemption feature requiring us to offer to redeem the preferred stock at an additional premium of \$74.6 million representing the difference between what Trailer Investments received at the time of redemption and what it would have been entitled to receive on the date of redemption if a change of control had occurred on that date. As a result, this could discourage third parties from seeking to acquire us because any additional premium to our current common stock equity value would need to take into account the premium on our preferred stock. This means that to offer the holders of our common stock a premium, a third party would have to pay an amount significantly in excess of the current value of our common stock.

An ownership change could result in a limitation on the use of our net operating losses.

As of December 31, 2010, we had approximately \$180 million of remaining U.S. federal income tax net operating loss carryforwards (“NOLs”), which will begin to expire in 2022, if unused, and which may be subject to other limitations under Internal Revenue Service (the “IRS”) rules. We have various, multistate income tax net operating loss carryforwards, which have been recorded as a deferred income tax asset, of approximately \$18 million, before valuation allowances. We also have various U.S. federal income tax credit carryforwards, which will expire beginning in 2013, if unused. Our NOLs, including any future NOLs that may arise, are subject to limitations on use under the IRS rules, including Section 382 of the Internal Revenue Code of 1986, as revised. Section 382 limits the ability of a company to utilize NOLs in the event of an ownership change. We would undergo an ownership change if, among other things, the stockholders, or group of stockholders, who own or have owned, directly or indirectly, 5% or more of the value of our stock or are otherwise treated as 5% stockholders under Section 382 and the regulations promulgated thereunder increase their aggregate percentage ownership of our stock by more than 50 percentage points over the lowest percentage of our stock owned by these stockholders at any time during the testing period, which is generally the three-year period preceding the potential ownership change.

In the event of an ownership change, Section 382 imposes an annual limitation on the amount of post-ownership change taxable income a corporation may offset with pre-ownership change NOLs and certain recognized built-in losses. The limitation imposed by Section 382 for any post-change year would be determined by multiplying the value of our stock immediately before the ownership change (subject to certain adjustments) by the applicable long-term tax-exempt rate in effect at the time of the ownership change. Any unused annual limitation may be carried over to later years, and the limitation may under certain circumstances be increased by built-in gains that may be present in assets held by us at the time of the ownership change that are recognized in the five-year period after the ownership change. It is expected that any loss of our NOLs would cause our effective tax rate to go up significantly when we return to profitability, excluding impacts of valuation allowance.

On May 28, 2010 a change of ownership did occur resulting from the issuance of 11,750,000 shares of common stock, which invoked a limitation on the utilization of pre-ownership change NOLs under Section 382. Pre-ownership change NOLs are \$177 million. Management has estimated the annual NOL limitations under IRC Section 382 through 2014 are \$70 million for 2011; \$42 million for 2012; \$40 million for 2013; and, \$25 million for 2014. To the extent the limitation in any year is not reached, any remaining limitation can be carried forward indefinitely to future years. Post-ownership change NOLs at December 31, 2010 are \$3 million, which is currently not subject to utilization limits.

In 2009, we undertook a study to ensure that the change in ownership related to the issuance of the Warrant (see “Liquidity and Capital Resources”) in August 2009 did not result in a Section 382 limitation and believe that such a limitation was not triggered. However, there can be no assurance that such a change was not triggered at that time, due to the lack of authoritative guidance.

ITEM 1B—UNRESOLVED STAFF COMMENTS

None.

ITEM 2—PROPERTIES

Manufacturing Facilities

We own or lease, and operate trailer manufacturing facilities in Lafayette, Indiana and Cadiz, Kentucky, as well as a trailer floor manufacturing facility in Harrison, Arkansas. During 2010 we consolidated our Anna, Illinois, steel

flatbed operation into our Cadiz facility to further our lean manufacturing efforts and subsequently sold the Anna facility. In addition, we sold our Mt. Sterling, Kentucky facility that was idled in 2007. Our main Lafayette facility is a 1.2 million square foot facility that houses truck trailer and composite material production, tool and die operations, research laboratories and offices. The second Lafayette facility is 0.6 million square feet, primarily used for the production of refrigerated trailers. In total, our facilities have the capacity to produce approximately 80,000 trailers annually on a three shift, five-day workweek schedule, dependent on mix of product.

Retail and Distribution Facilities

Retail and distribution facilities include 11 full service branches and three used trailer centers. Each sales and service branch consists of an office, parts warehouse and service space, and ranges in size from 20,000 to 50,000 square feet per facility. The 14 facilities are located in 10 states with three of the facilities being leased.

Properties owned by Wabash are subject to security interests held by our lenders.

ITEM 3—LEGAL PROCEEDINGS

Various lawsuits, claims and proceedings have been or may be instituted or asserted against the Company arising in the ordinary course of business, including those pertaining to product liability, labor and health related matters, successor liability, environmental matters and possible tax assessments. While the amounts claimed could be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that exist. Therefore, it is possible that results of operations or liquidity in a particular period could be materially affected by certain contingencies. However, based on facts currently available, management believes that the disposition of matters that are currently pending or asserted other than the matters below, which are addressed individually, will not have a material adverse effect on the Company's financial position, liquidity or results of operations. Costs associated with the litigation and settlements of legal matters are reported within General and Administrative Expenses in the Consolidated Statements of Operations.

Brazil Joint Venture

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

The case grows out of a joint venture agreement between BK and the Company related to marketing of RoadRailer trailers in Brazil and other areas of South America. When BK was placed into the Brazilian equivalent of bankruptcy late in 2000, the joint venture was dissolved. BK subsequently filed its lawsuit against the Company alleging that it was forced to terminate business with other companies because of the exclusivity and non-compete clauses purportedly found in the joint venture agreement. BK asserts damages of approximately R\$20.8 million (Brazilian Reais) which is approximately \$12.5 million U.S. dollars using current exchange rates. The amount of damages asserted in local currency has not changed since 2001.

We answered the complaint in May 2001, denying any wrongdoing. We believe that the claims asserted by BK are without merit and intend to vigorously defend our position. A bench (non-jury) trial was held on March 30, 2010 in Curitiba, Paraná, Brazil. A ruling on the evidence presented at the trial is not expected for several months. We believe that the resolution of this lawsuit will not have a material adverse effect on our financial position, liquidity or future results of operations; however, at this stage of the proceeding no assurances can be given as to the ultimate outcome of the case.

Intellectual Property

In October 2006, the Company filed a patent infringement suit against Vanguard National Corporation ("Vanguard") regarding Wabash National's U.S. Patent Nos. 6,986,546 and 6,220,651 in the U.S. District Court for the Northern District of Indiana (Civil Action No. 4:06-cv-135). The Company amended the Complaint in April 2007. In May 2007, Vanguard filed its Answer to the Amended Complaint, along with Counterclaims seeking findings of

non-infringement, invalidity, and unenforceability of the subject patents. The Company filed a reply to Vanguard's counterclaims in May 2007, denying any wrongdoing or merit to the allegations as set forth in the counterclaims. The case has currently been stayed by agreement of the parties while the U.S. Patent and Trademark Office ("Patent Office") undertakes a reexamination of U.S. Patent Nos. 6,986,546. The Patent Office recently notified the Company that the reexamination is complete and the Patent Office has reissued U.S. Patent No. 6,986,546 without cancelling any claims of the patent. The parties plan to petition the Court to lift the stay; however, it is unknown at this time when the petition to lift the stay may be granted.

The Company believes that its claims against Vanguard have merit, that the claims asserted by Vanguard are without merit, and intends to vigorously defend its position and intellectual property. The Company believes that the resolution of this lawsuit will not have a material adverse effect on its financial position, liquidity or future results of operations; however, at this stage of the proceeding, no assurance can be given as to the ultimate outcome of the case.

Environmental Disputes

In September 2003, we were noticed as a potentially responsible party (PRP) by the U.S. Environmental Protection Agency (“EPA”) pertaining to the Motorola 52nd Street, Phoenix, Arizona Superfund Site (the “Superfund Site”) pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”). PRPs include current and former owners and operators of facilities at which hazardous substances were allegedly disposed. The EPA’s allegation that we were a PRP arises out of our acquisition of a former branch facility located approximately five miles from the original Superfund Site. We acquired this facility in 1997, operated the facility until 2000, and sold the facility to a third party in 2002. In June 2010, we were contacted by the Roosevelt Irrigation District (“RID”) informing it that the Arizona Department of Environmental Quality (“ADEQ”) had approved a remediation plan in excess of \$100 million for the RID portion of the Superfund Site, and demanded that we contribute to the cost of the plan or be named as a defendant in a CERCLA action to be filed in July 2010. We initiated settlement discussions with the RID and the ADEQ in July 2010 to provide a full release from the RID, and a covenant not-to-sue and contribution protection regarding the former branch property from the ADEQ, in exchange for payment from us. If the settlement is approved by all parties, it will prevent any third party from successfully bringing claims against us for environmental contamination relating to this former branch property. We are awaiting approval from the ADEQ for the settlement we proposed in July 2010; we do not expect to receive a response from the ADEQ for several more months. Based upon our limited period of ownership of the former branch property, and the fact that we no longer own the former branch property, we do not anticipate that the ADEQ will reject the proposed settlement, but no assurance can be given at this time as to the ADEQ’s response to the settlement proposal. The proposed settlement terms have been accrued and did not have a material adverse effect on our financial condition or results of operations, and we believe that any ongoing proceedings will not have a material adverse effect on the Company’s financial condition or results of operations.

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

ITEM 4—[REMOVED AND RESERVED]

PART II

ITEM 5—MARKET FOR REGISTRANT’S COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Information Regarding our Common Stock

Our common stock is traded on the New York Stock Exchange (ticker symbol: WNC). The number of record holders of our common stock at February 21, 2011 was 878.

We declared quarterly dividends of \$0.045 per share on our common stock from the first quarter of 2005 through the third quarter of 2008. In December 2008, we suspended the payment of our quarterly dividend due to the continued weak economic environment and the uncertainty as to the timing of a recovery as well as our effort to enhance liquidity. No dividends on our common stock were declared or paid in 2010. In accordance with our Third Amended and Restated Loan and Security Agreement, effective August 3, 2009 and as amended on May 28, 2010, we are restricted from the payment of cash dividends to holders of our common stock for a period of two years. At any time after our second anniversary of our credit facility, or August 3, 2011, we are limited to the amount of cash dividends of \$20 million per year unless otherwise approved by a majority of our lenders, so long as no default or event of default is continuing or would be caused by the distribution and only if our available borrowing capacity is in excess of \$40 million after distribution of dividend. The reinstatement of quarterly cash dividends on our common stock will depend on our future earnings, capital availability, financial condition and the discretion of our Board of Directors.

On May 13, 2010, our stockholders approved an amendment to our Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock, par value \$0.01 per share, from 75 million shares to 200 million shares and correspondingly, to increase the total number of authorized shares of all classes of capital stock from 100 million shares to 225 million shares, which includes 25 million shares of preferred stock, par value \$0.01 per share.

High and low stock prices as reported on the New York Stock Exchange for the last two years were:

	High	Low
2009		
First Quarter	\$ 5.07	\$ 0.51
Second Quarter	\$ 2.71	\$ 0.68
Third Quarter	\$ 3.25	\$ 0.50
Fourth Quarter	\$ 3.05	\$ 1.36
2010		
First Quarter	\$ 7.84	\$ 1.82
Second Quarter	\$ 10.85	\$ 5.86
Third Quarter	\$ 8.94	\$ 5.96
Fourth Quarter	\$ 13.00	\$ 7.51

Performance Graph

The following graph shows a comparison of cumulative total returns for an investment in our common stock, the S&P 500 Composite Index and the Dow Jones Transportation Index. It covers the period commencing December 31, 2005 and ending December 31, 2010. The graph assumes that the value for the investment in our common stock and in each index was \$100 on December 31, 2005 and that all dividends were reinvested.

Comparative of Cumulative Total Return
December 31, 2005 through December 31, 2010
among Wabash National Corporation, the S&P 500 Index
and the Dow Jones Transportation Index

Purchases of Our Equity Securities

For the quarter ending December 31, 2010, we repurchased a total of 5,445 shares to cover minimum employee tax withholding obligations upon the vesting of restricted stock awards. During this period, there were no repurchases made pursuant to any repurchase programs

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 2010	622	\$ 7.11	—	—
November 2010	—	\$ —	—	—
December 2010	4,823	\$ 12.32	—	—
Total	5,445	\$ 11.72	—	—

ITEM 6—SELECTED FINANCIAL DATA

The following selected consolidated financial data with respect to Wabash for each of the five years in the period ended December 31, 2010, have been derived from our consolidated financial statements. The following 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 in this Annual Report.

	Years Ended December 31,				
	2010	2009	2008	2007	2006
	(Dollars in thousands, except per share data)				
Statement of Operations Data:					
Net sales	\$ 640,372	\$ 337,840	\$ 836,213	\$ 1,102,544	\$ 1,312,180
Cost of sales	612,289	360,750	815,289	1,010,823	1,207,687
Gross profit	\$ 28,083	\$ (22,910)	\$ 20,924	\$ 91,721	\$ 104,493
Selling, general and administrative expenses	43,500	43,164	58,384	65,255	66,227
Impairment of goodwill	-	-	66,317	-	15,373
(Loss) Income from operations	\$ (15,417)	\$ (66,074)	\$ (103,777)	\$ 26,466	\$ 22,893
Increase in fair value of warrant	(121,587)	(33,447)	-	-	-
Interest expense	(4,140)	(4,379)	(4,657)	(5,755)	(6,921)
Other, net	(667)	(866)	(328)	3,977	330
(Loss) Income before income taxes	\$ (141,811)	\$ (104,766)	\$ (108,762)	\$ 24,688	\$ 16,302
Income tax (benefit) expense	(51)	(3,001)	17,064	8,403	6,882
Net (loss) income	\$ (141,760)	\$ (101,765)	\$ (125,826)	\$ 16,285	\$ 9,420
Preferred stock dividends and early extinguishment	25,454	3,320	-	-	-