



# **Trinity Industries, Inc.**

**Investor Presentation**

**May 2008**



# Forward Looking Statements






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This presentation contains “forward looking statements” as defined by the Private Securities Litigation Reform Act of 1995 and includes statements as to expectations, beliefs and future financial performance, or assumptions underlying or concerning matters herein. These statements that are not historical facts are forward looking. Readers are directed to Trinity’s Form 10-K and other SEC filings for a description of certain of the business issues and risks, a change in any of which could cause actual results or outcomes to differ materially from those expressed in the forward looking statements. 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 or statements to reflect events or circumstances after the date on which such statement is made.



# Trinity is a Multi-Industry Company

Trinity is focused on infrastructure products and services in five distinct business groups:

	<b>Rail Group</b>	38% of Revenue 34% of Operating Profit
	<b>Railcar Leasing and Management Services Group</b>	18% of Revenue 30% of Operating Profit
	<b>Construction Products Group</b>	19% of Revenue 11% of Operating Profit
	<b>Energy Equipment Group</b>	12% of Revenue 10% of Operating Profit
	<b>Inland Barge Group</b>	13% of Revenue 15% of Operating Profit

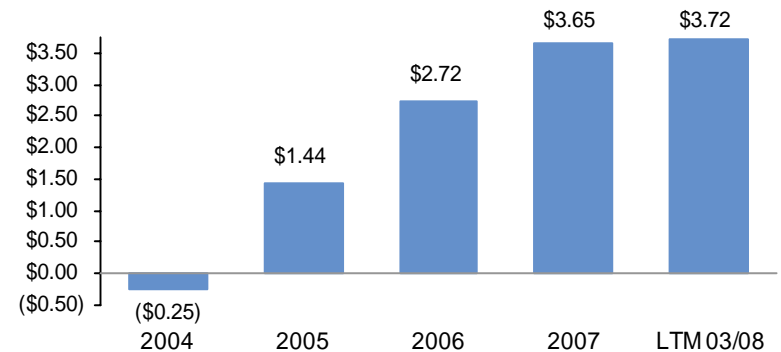
Note: Revenue and Operating Profit percentages for Last Twelve Months Ended 3/31/08 for outside revenues.



# Trinity's Results Have Been Strong

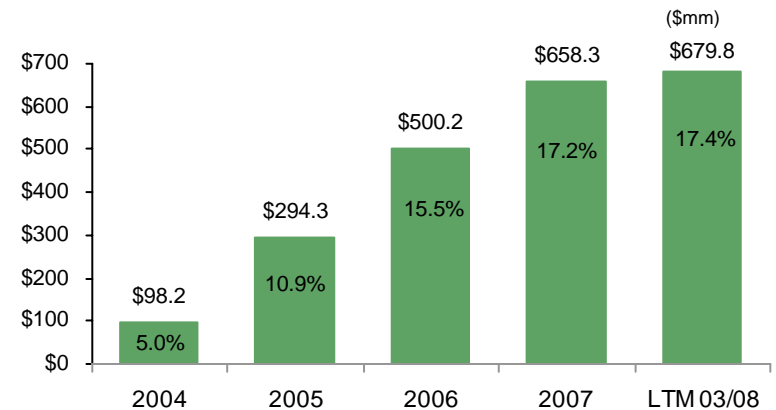
- Revenues grew 17% in the LTM 03/31/08 from \$3.3 billion to \$3.9 billion, led by:
  - 114% growth (\$362mm) in Leasing
  - 9% growth (\$189mm) in Rail
  - 31% growth (\$124mm) in Inland Barge
  - 31% growth (\$112mm) in Energy Equipment
- Operating profit grew 28%, or \$115mm to \$530mm
- Operating margin increased from 12.5% to 13.6%
- EBITDA rose 25% from \$544mm to \$680mm
- Reported income from continuing operations of \$300mm as compared to \$236mm
- Earnings from continuing operations rose 25% to \$3.72 per Diluted share

Trinity's Earnings Summary 2004 – LTM 03/08 <sup>(1)</sup>



(1) Earnings per Diluted Share from Continuing Operations

Trinity's EBITDA Summary 2004 – LTM 03/08 <sup>(1)</sup>



(1) EBITDA from Continuing Operations



# Trinity is Positioned to Respond in Today's Markets

- Trinity's **backlog** in its Rail, Barge, and Wind Tower businesses totaled more than \$4.7 billion at March 31, 2008
  - This gives Trinity visibility into 2008 and 2009
- Trinity's **manufacturing flexibility** allows us to shift our sales and manufacturing focus to those products that provide the best returns
- Trinity's **low-cost manufacturing footprint in the Southern United States and Mexico** across product lines supports aggressive, rapid growth
- Trinity's **lease fleet** of 38,030 railcars provides a strong strategic connection to our customers, as well as a long-term stream of profits and cash flows
- Trinity's continuous **synergies** across business lines provide unique opportunities



# Trinity's Manufacturing Flexibility is a Differentiator

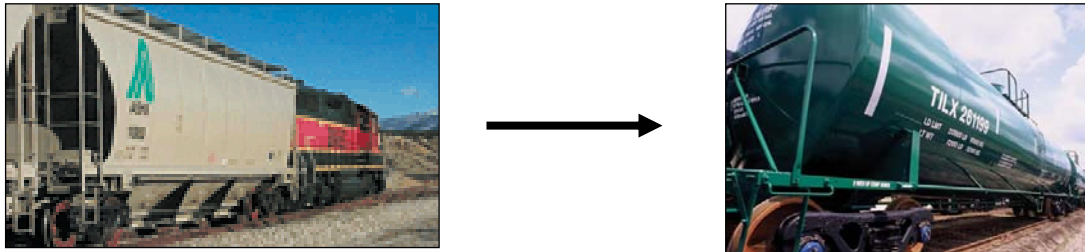
Trinity's manufacturing flexibility enhances its opportunistic approach

- Quick response to market changes and customer needs
- Resources directed toward highest and best use

## Manufacturing flexibility across business lines



## Manufacturing flexibility across broad product lines



# Trinity Has an Excellent Competitive Position in Mexico

- More than five decades of in-country operating experience
- Multiple plants in Mexico – more than 4,940 employees
- Trinity's significant manufacturing capacity in Mexico continues to grow
- Very strong logistics network in place - 1,000 truckloads crossing the border per month
- Provides benefits across multiple product lines:
  - Trinity expects to produce 40 railcars per day in Mexico during 2008
  - Trinity expects to produce more than 190,000 propane tanks in Mexico in 2008
  - Trinity recently constructed a new wind tower facility in Mexico, adding 180,000 square feet to the footprint



**2.3 million square feet of manufacturing capacity in Mexico**



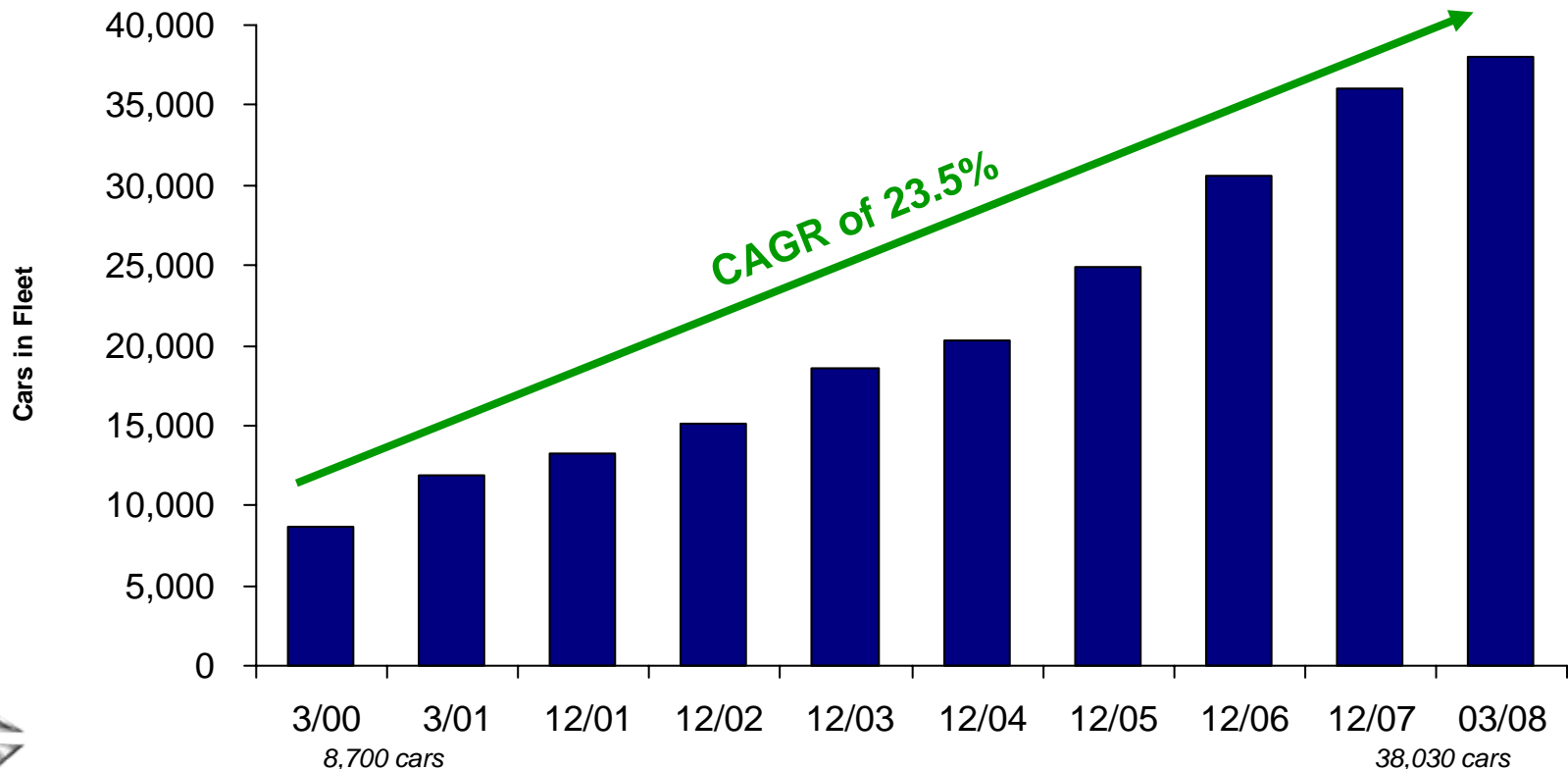
# Trinity's Railcar Leasing Company Provides Stability

- Trinity's leasing company continues to provide strategic benefits to the manufacturing business in addition to its strong financial performance
  - The leasing company's aggressive growth strengthens relationships with core customers while allowing successful introduction of new products
- Trinity's leasing company growth over the past 7 years has established a predictable revenue and earnings base
  - The average remaining lease term in our portfolio at March 31, 2008 is 5.2 years
- Trinity has plans to continue its lease fleet growth
  - At March 31, 2008, Trinity had \$1.1 billion, or approximately 13,060 cars in its firm order backlog dedicated to its lease fleet
- We have been highly successful in renewing or remarketing cars in our fleet
  - Utilization of the fleet was 99.2% at March 31, 2008
- The formation of TRIP Rail Holdings LLC provides additional flexibility and an impressive link to the North American railcar leasing market



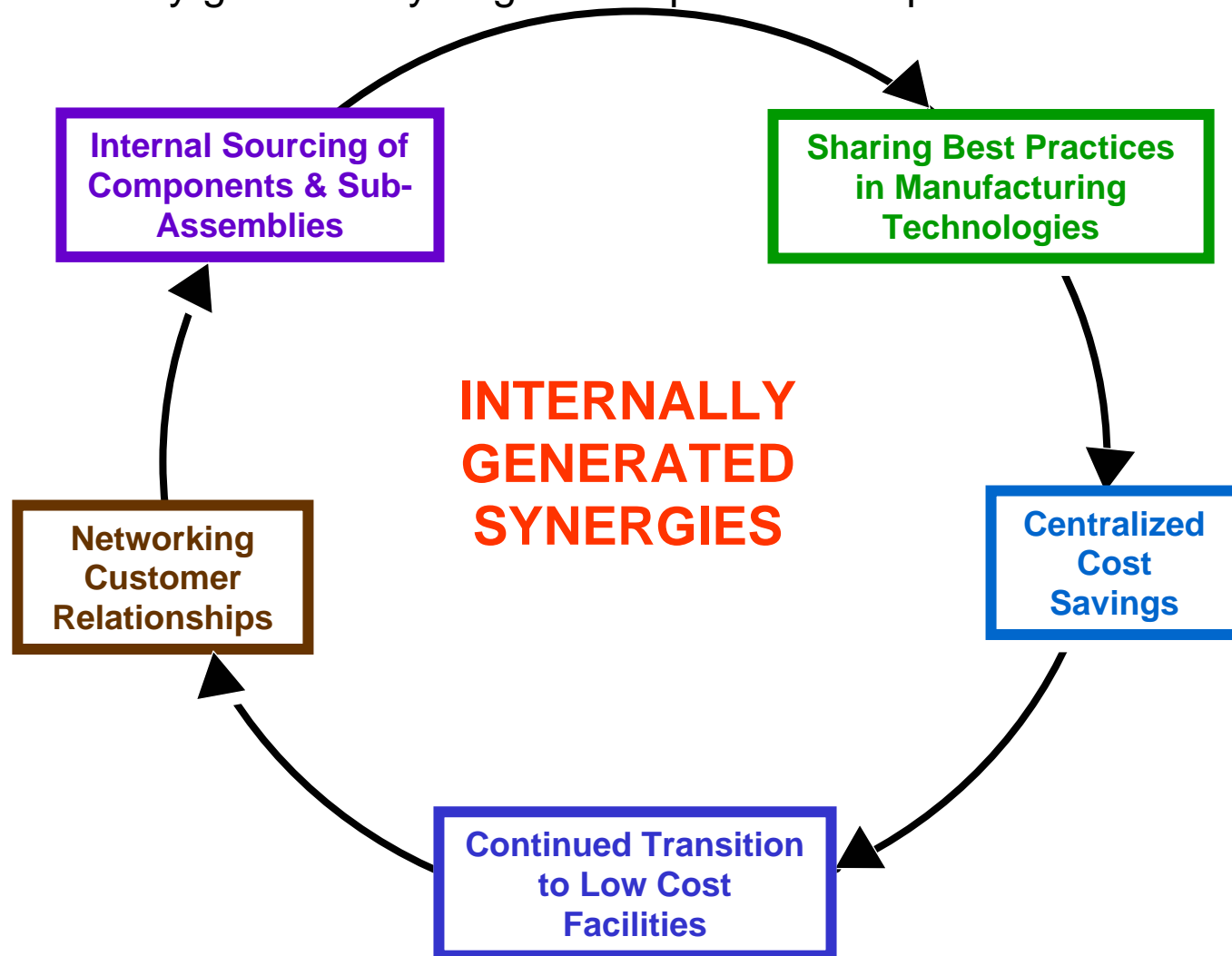
# Trinity's Railcar Lease Fleet is Growing Aggressively

- Trinity added \$482 million (net) of railcars to its fleet in 2007 and expects to add another \$650 - \$750 million (net) in 2008 – more than \$1 billion in two years
- At March 31, 2008:
  - Trinity's lease fleet totaled 38,030 railcars, an increase of 337% since 2000, representing more than \$2.5 billion of leasing capital expenditures



# Trinity's Companies Have Continuous Synergistic Connections

Trinity's businesses place a high priority on collaborating with each other to continuously generate synergies that provide competitive benefits:



# Trinity's Key Market Leadership Positions

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- Trinity's portfolio of businesses consists of companies that have maintained market leading positions for over a decade
- Our businesses are led by experienced managers who know their markets, products and services
- We have an aggressive, competitive nature – we are always searching for ways to improve performance
- As a market leader, we have strong relationships with our customers and suppliers



# Trinity's Key Market Leadership Positions

## **Trinity's Rail Group**

- Largest manufacturer of railcars in North America
- Largest railcar axle manufacturer in North America
- Largest railcar coupler manufacturer in North America

## **Trinity's Rail Leasing and Management Services Group**

- Leading provider of railcar leasing and management services

## **Trinity's Construction Products Group**

- Largest full-line highway guardrail and crash cushion manufacturer in the United States
- Leading producer of concrete and aggregates in Texas

## **Trinity's Energy Equipment Group**

- Leading full-line LPG tank manufacturer in North America
- Leading manufacturer of structural wind towers in North America

## **Trinity's Inland Barge Group**

- Largest barge manufacturer in the United States
- Largest fiberglass hopper barge cover manufacturer in the United States



# Trinity Today

## Trinity's Multi-Industry Model

### Manufacturing Businesses

- Maximize Returns
- Expand Manufacturing Footprint in Mexico
- Optimize Operational Flexibility
- Generate Continuous Synergies

### Leasing and Management Services

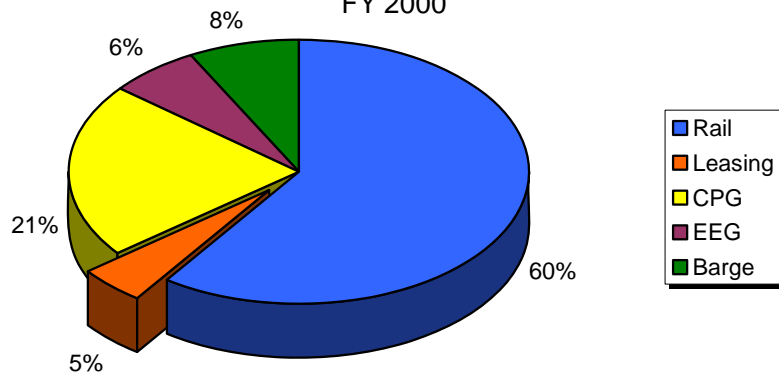
- Aggressively Grow our Leasing Business
- Expand Relationships with End-users of railcars
- Introduce New Products through Leasing Business
- Diversify Earnings Base for Trinity



# Trinity's Revenues are Becoming More Diversified Over Time

**External Revenue Composition**

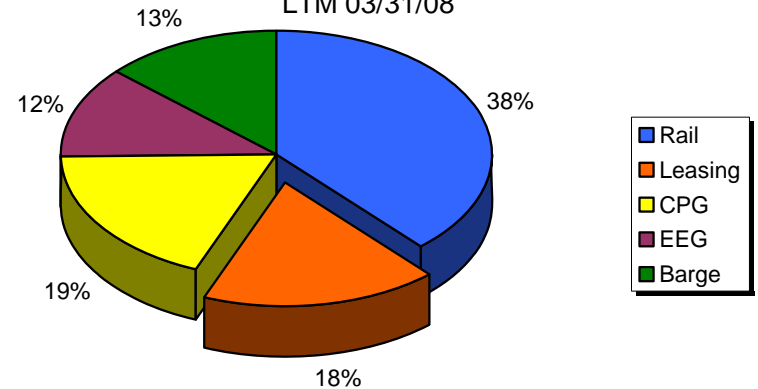
FY 2000



FY 2000 Total Consolidated Revenue was \$2.7 billion

**External Revenue Composition**

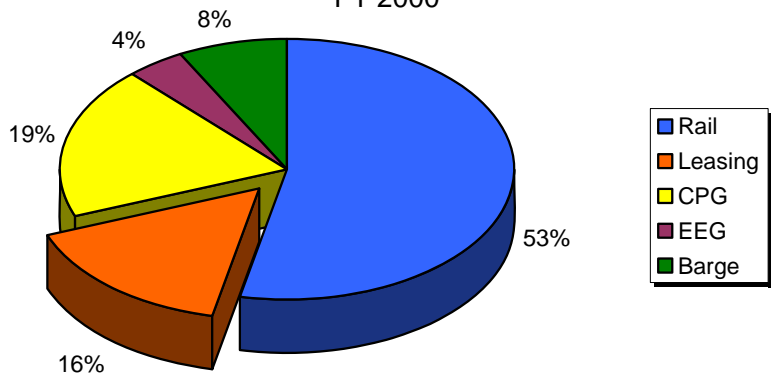
LTM 03/31/08



LTM 3/31/2008 Total Consolidated Revenue was \$3.9 billion

**Operating Profit\* Composition**

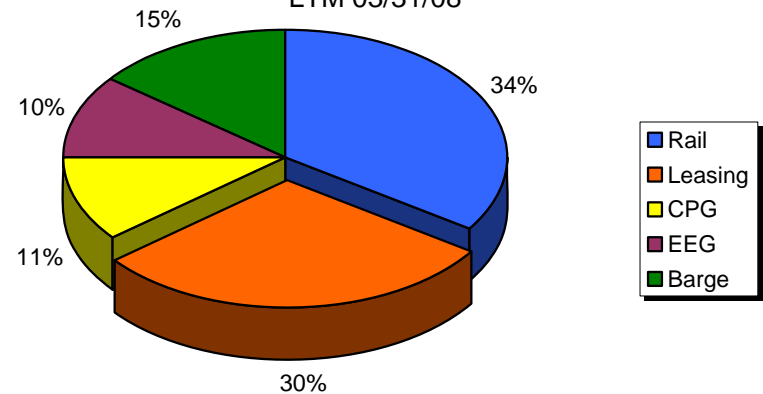
FY 2000



\*Total Consolidated Operating Profit Excluding All Other & Corporate  
 FY 2000 Total Consolidated Operating Profit Excluding All Other & Corporate was \$327 million

**Operating Profit\* Composition**

LTM 03/31/08



\*Total Consolidated Operating Profit Excluding All Other & Corporate  
 LTM 3/31/2008 Total Consolidated Operating Profit Excluding All Other & Corporate was \$560 million



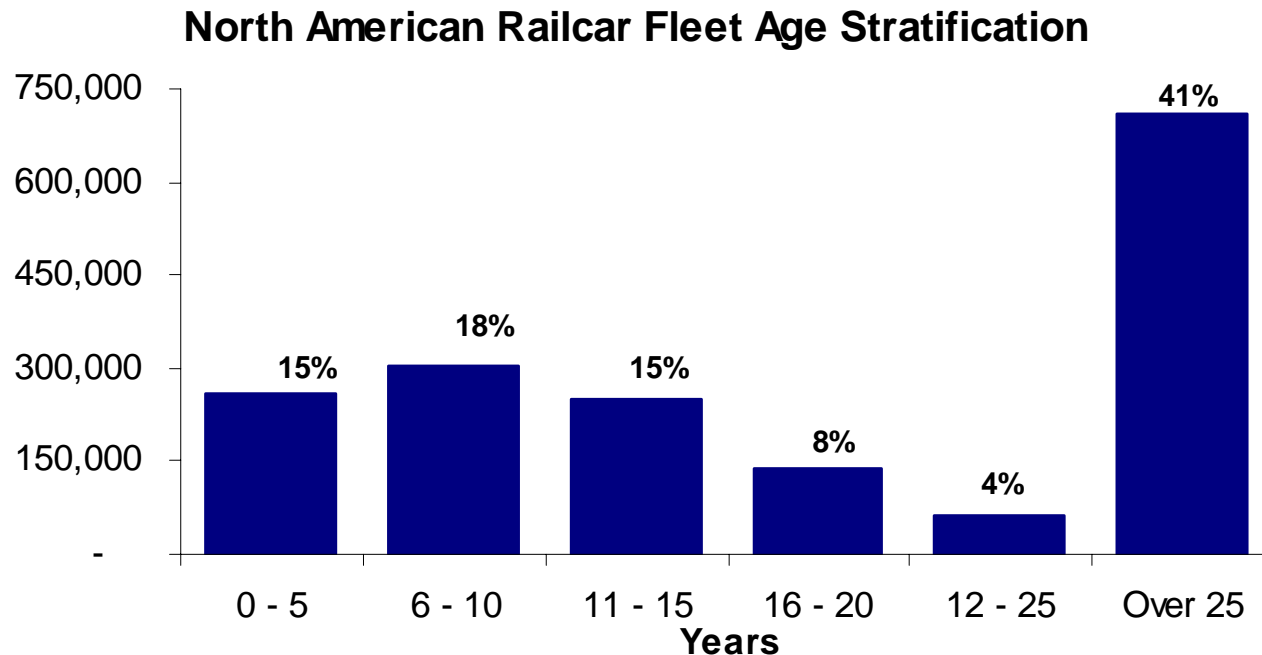
# Trinity is Positioned for the Future

- Trinity's products supply the industrial core of North America
  - Railroads, inland waterways, construction, and energy sectors
- Trinity's businesses should benefit from the economic stimulus package
  - We manufacture capital goods, which have the opportunity for increased investment due to the accelerated depreciation
- The aging U.S. infrastructure provides Trinity with opportunity
- Trinity's businesses should benefit from the current emphasis on "green" growth
  - Structural wind towers
  - Railcars and barges for the renewable fuels industry



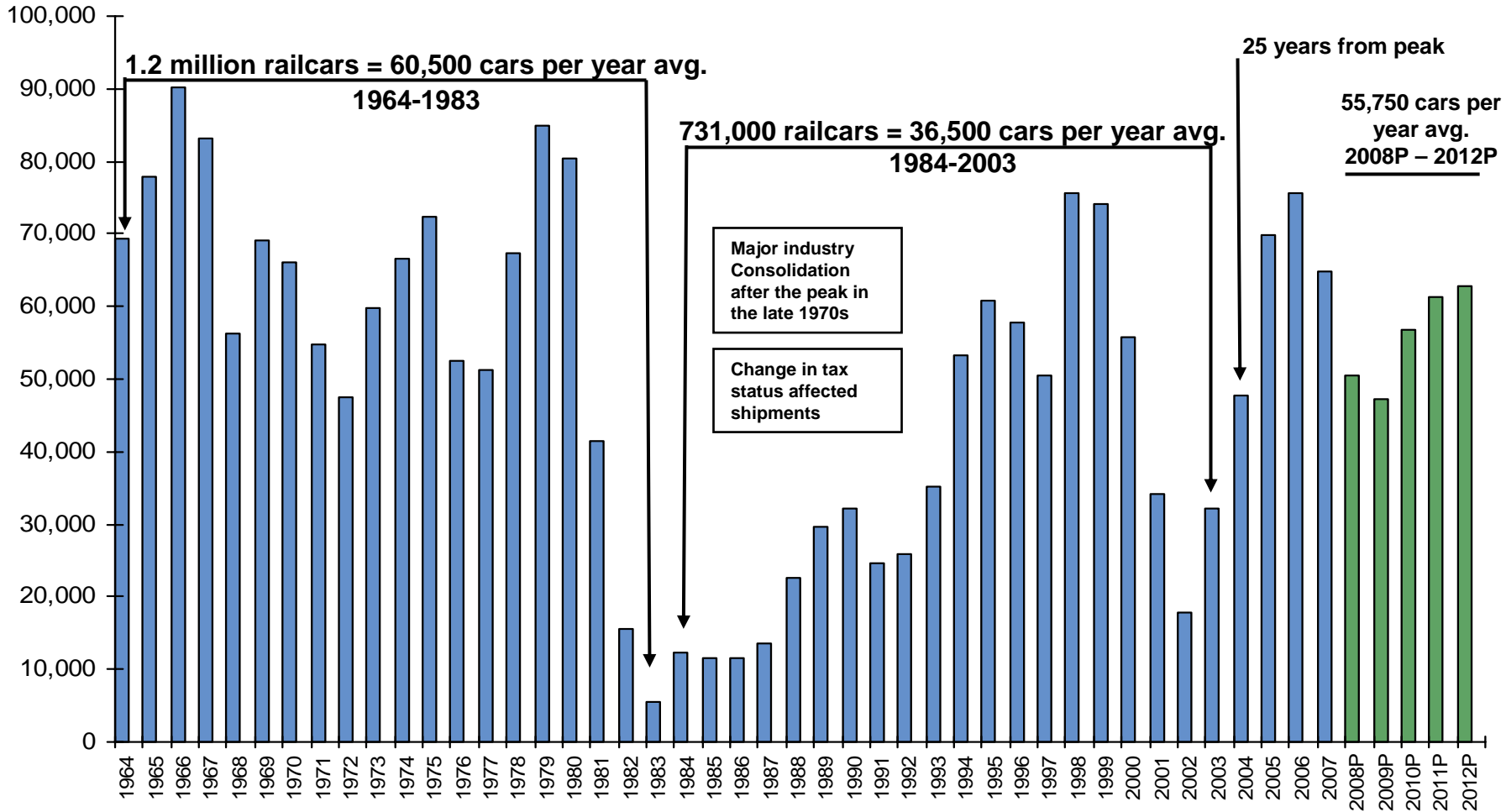
# Current Railcar Demand is Largely Driven by Replacement Needs

- There are approximately 1.6 million railcars in the North American system
- Nearly 700,000 of those railcars are more than 25 years old
- The average life span of a railcar is 35 years
- The last major sustained build cycle was in the late 1970s
- The replacement cycle is in process



# Rail Industry Shipment Summary and Projections

A look at two 20-year periods of time:



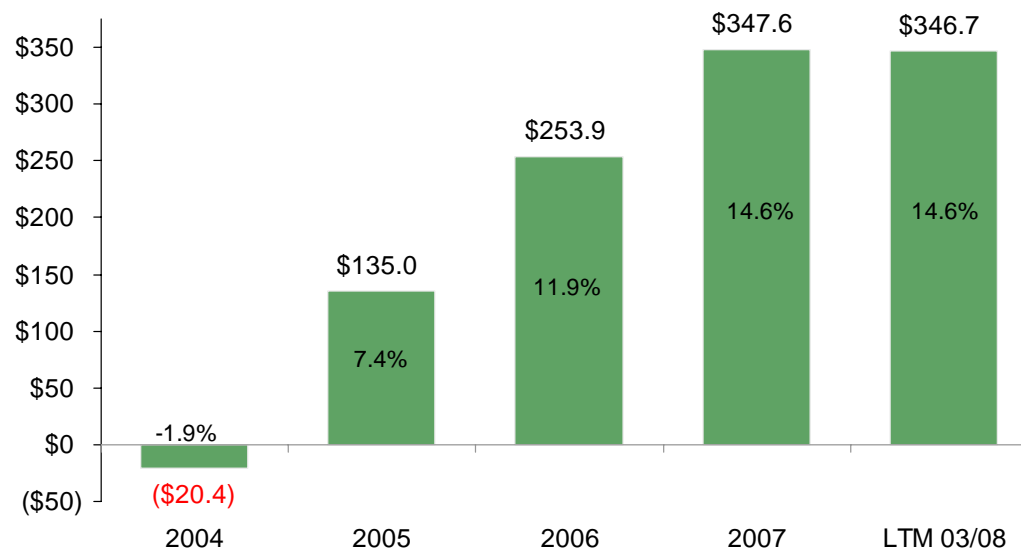
Sources: Historical data per the Railway Supply Institute; projected periods per Global Insight and Economic Planning Associates, Inc. reports



# TrinityRail's Focus on Operational Excellence Continues to Drive Performance

- In 2007, Trinity booked 43% of all railcars orders in the industry and holds 42% of the backlog
- During 2007, the Rail Group Operating Profit grew by 37%, or \$94 million

Rail Group Historical Operating Profit/(Loss)<sup>(1)</sup>

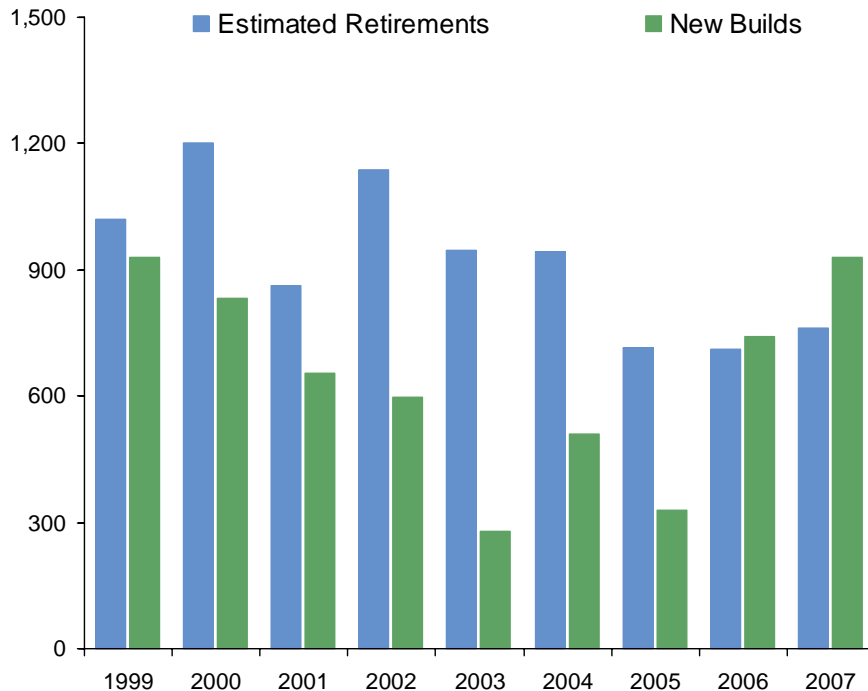


(1) Before eliminations

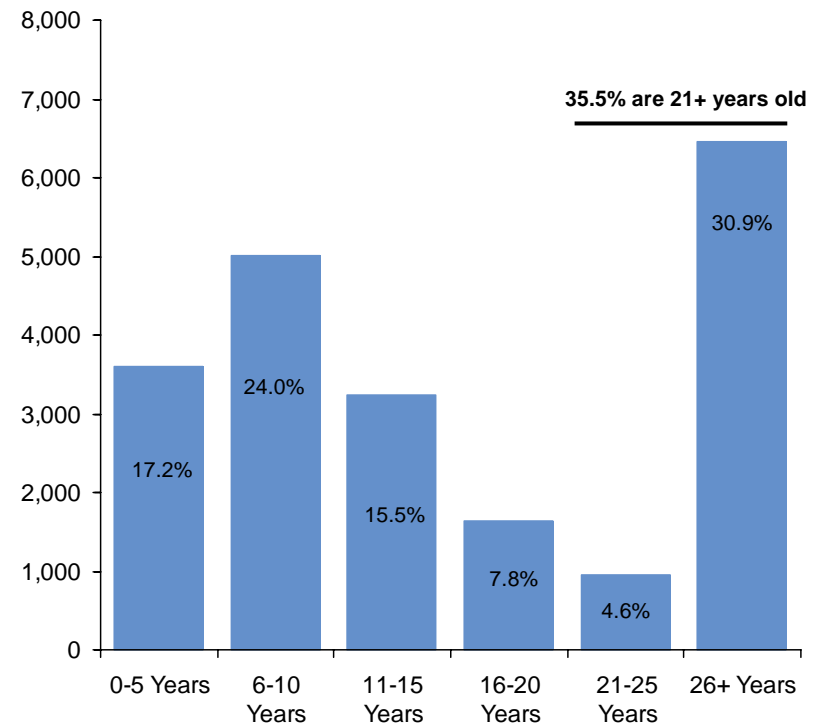


# Inland Barge Growth is Expected to be Driven by Replacement Demand

Retirements Have Exceeded New Builds – Hopper & Tank



Age of North American Hopper & Tank Barge Fleet



Source: Information from industry sources as of 03/31/08



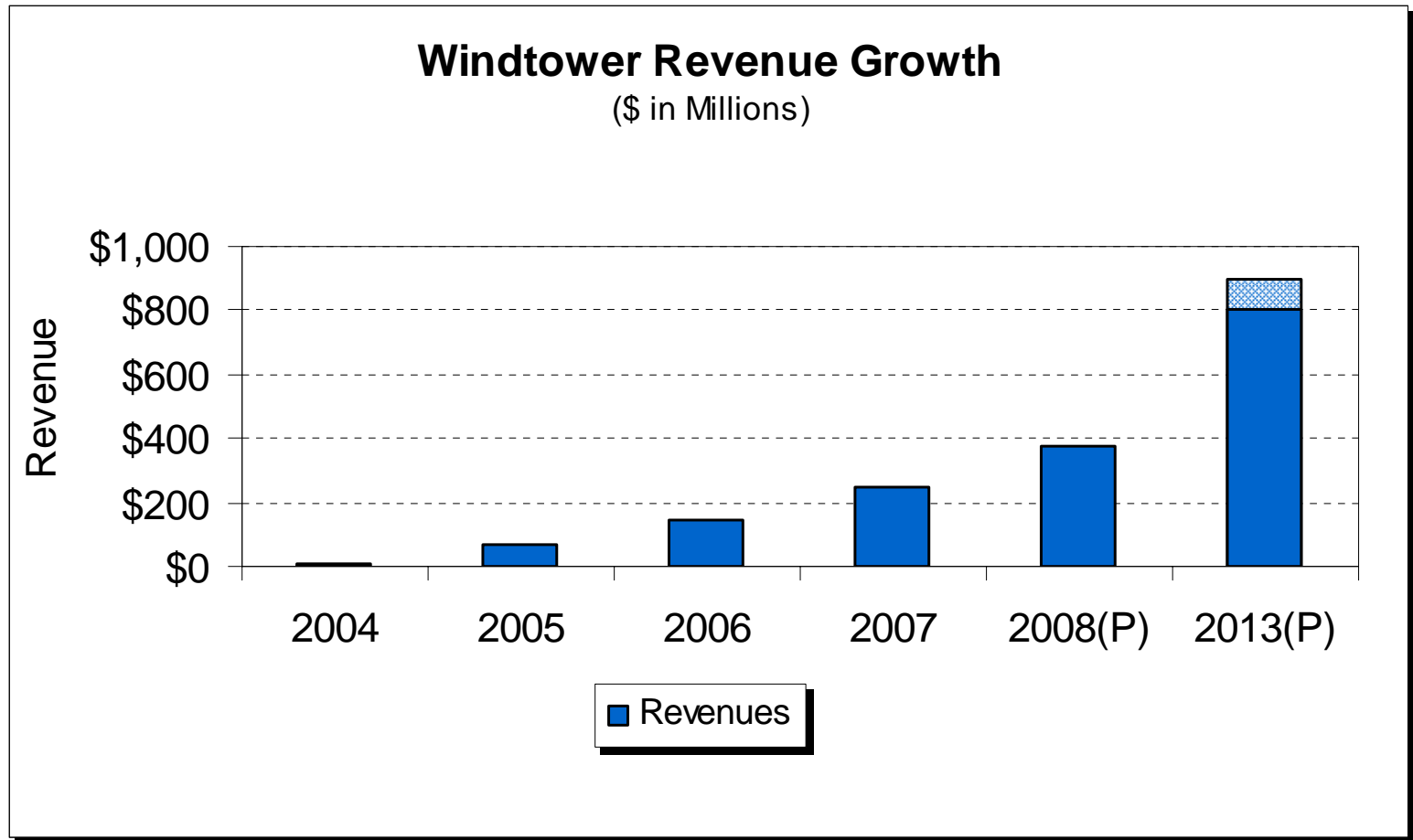
# Trinity is Aggressively Pursuing Synergistic Opportunities in the Wind Energy Market



- Trinity's Structural Wind Tower revenues have grown from \$11 million in 2004 to an expected \$390 million in 2008, while the backlog has grown from \$200 million at 3/31/07 to more than \$1.6 billion at 3/31/08
- Trinity's concrete business has poured the foundations for several wind tower installations in Texas
- Trinity's transportation company ships the wind towers that we produce



# Opportunities Continue to Grow for Trinity Structural Wind Towers



# Financial Highlights – Manufacturing and Leasing

## **Manufacturing Businesses\***

### Last Twelve Months Ending March 31, 2008:

- External Revenues of \$3.2 billion
  - Reflects 7% growth over LTM 03/07
- Operating Profit of \$363 million
  - Reflects growth of 21% over LTM 03/07

### As of March 31, 2008:

- Total Debt of \$654 million
  - Instruments include Revolver, Convertible Subordinated Notes, and Senior Notes

\* includes corporate and eliminations

## **Leasing and Management Services**

### Last Twelve Months Ending March 31, 2008:

- Revenues of \$681 million
  - Reflects 114% growth over LTM 03/07
- Operating Profit of \$168 million
  - Reflects 44% growth over LTM 03/07

### As of March 31, 2008:

- Total Debt of \$776 million
  - Instruments include Warehouse Facility, Asset Backed Securitization, and Equipment Trust Certificates



# Consolidated Financial Highlights

## Last Twelve Months Ending March 31, 2008

- Revenues of \$3.9 billion
  - Reflects 17% growth over LTM 03/07
- Operating Profit of \$530 million
  - Reflects 28% growth over LTM 03/07
- Earnings from Continuing Operations of \$3.72 per common diluted share
  - Reflects 25% growth over LTM 03/07
- ROE of 18.3%

## As of March 31, 2008:

- Cash of \$200 million
- Equity of \$1.8 billion
- Total Debt of \$1.4 billion
- Total Debt to Capital Ratio of 45%



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# Appendix: Operating Business Summaries



# Rail Group

- Largest producer of railcars, railcar axles, and coupling devices in North America
- The renewable fuels industry and the railcar replacement cycle are driving growth in the industry and for Trinity.
- Nearly 700,000 railcars, or over 41% of the North American fleet, are more than 25 years old
- Focus on new and updated designs
- Centralized sourcing provides cost savings
- Streamlined manufacturing efficiencies
- Networking of customers between railcar sales and railcar leasing



## Rail Group Highlights

- Industry shipments of 61,630 during LTM 03/31/08 with a backlog of 66,340 cars as of 03/31/08
- Trinity shipments totaled 26,810 during LTM 03/31/08, compared to 8,300 in all of 2003
- Trinity orders totaled 18,960, representing approximately 35% of the Industry total during LTM 03/31/08
- Trinity's order backlog was approximately 27,960 railcars as of 03/31/08 vs. 12,150 at the end of 2003
- Operating Margin of 14.6% in LTM 03/31/08

## Rail Group Historical Operating Profit/(Loss)<sup>(1)</sup>



(1) Before eliminations



# Railcar Leasing and Management Services Group

- Leading provider of comprehensive railcar fleet leasing and management services
- Trinity's owned and leased fleet was approximately 38,030 railcars at 03/31/08 as compared to 32,500 at 03/31/07
- Single point of contact for equipment and services
- Strengthens relationship with end-user of railcar
- Young fleet with an average age of 4.8 years
- Long-term leases with average remaining term of 5.2 years
- Highly utilized fleet – 99.2% at March 31, 2008
- Marketed with railcar sales activities as TrinityRail



## Trinity Leasing's capabilities provide the following advantages:

### Strategic Position

- Leasing complements product offering (one-stop shopping)
- Provides Trinity's rail customers option to purchase or lease
- Ideal method for introduction of new products

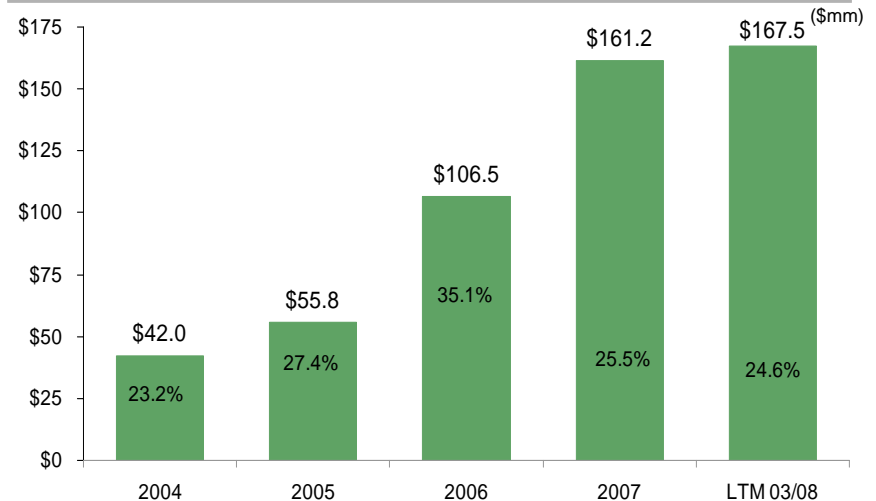
### Operating Benefits

- Assists in balancing and extending production lines
- Minimizes administrative issues
- Strategic fleet sales take advantage of market conditions

### Financial Results

- Leasing provides attractive return on investment
- Minimizes cyclical exposure to company
- Revenue and cash flow diversification for Trinity

## Leasing and Mgmt Services Historical Operating Profit



# Inland Barge Group

- Largest manufacturer of barges that transport goods through U.S. inland waterways
- Largest U.S. manufacturer of fiberglass hopper barge covers used primarily on grain barges
- Multiple barge manufacturing facilities on inland waterways enable rapid delivery
- Facilities have been expanded to meet market demand
- 7,410 barges, or 35.5% of the U.S. fleet, are 21+ years old
- Barge transportation has a cost advantage in high-cost fuel environments

**Hopper Barges**



**Transports grain & coal**

**Tank Barges**



**Transports liquids**

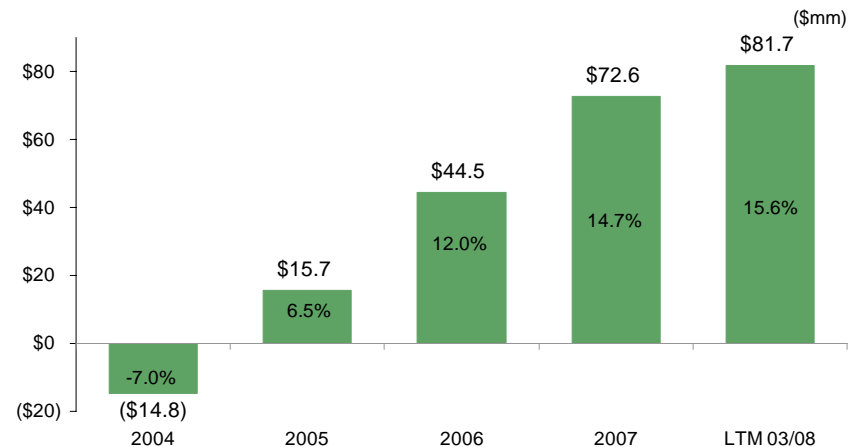
## Inland Barge Group Highlights

- Revenues up 31% in LTM 03/31/08 vs. LTM 03/31/07
- Profitability dramatically improved - Operating Profit/(Loss) margins increased from (7%) in FY 2004 to 14% during LTM 03/31/07 and 16% during LTM 03/31/08
- Trinity backlog grew to \$792mm at Q1 08 vs. \$753mm at Q4 07 and \$570mm at Q1 07
  - Backlog extends into 2009

### Replacement demand driver:

- 5,880 out of 18,030 hopper barges, or 33%, are 21+ years old
- 1,530 out of 2,870 tank barges, or 53%, are 21+ years old

## Inland Barge Group Historical Operating Profit/(Loss) <sup>(1)</sup>



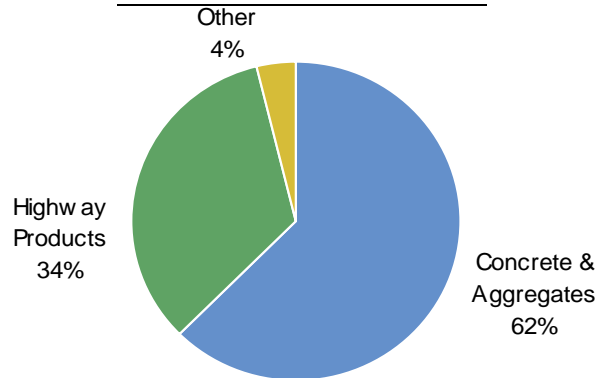
(1) Before eliminations



# Construction Products Group

- Leading Texas producer of concrete, aggregates and asphalt
- Largest highway guardrail manufacturer, plus a line of proprietary products including guardrail end treatments and highway crash cushions
- Diversified exposure to commercial, residential, industrial, and highway markets
- Business has grown organically and through acquisitions
- Federal Highway Bill provides growth opportunities

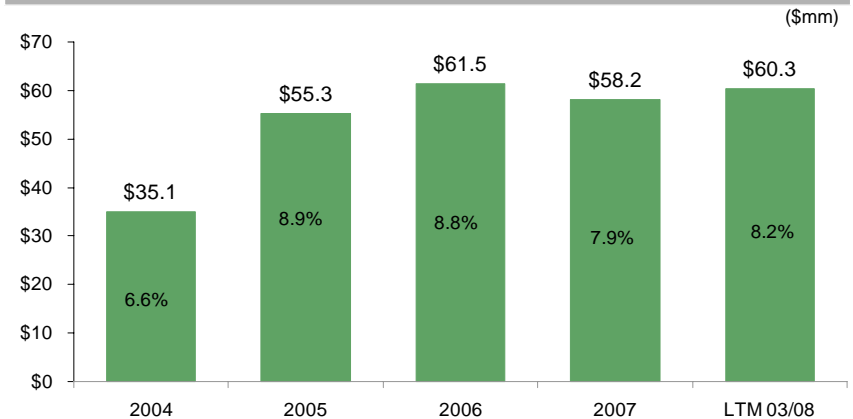
**LTM 03/31/08 Revenue Mix**



## Construction Products Group Highlights

- Revenues up 4% in Q1 08 vs. Q1 07
- Operating Profit up 21% in Q1 08 vs. Q1 07
- Nationwide producer of Highway products
- Positioned in Texas with Concrete, Aggregates, and Bridge Structures
- Demand tied to construction projects and federal funding
- Outlook positive
- Consistent contributor to cash flow

## Construction Products Group Historical Operating Profit<sup>(1)</sup>



(1) Before eliminations



# Energy Equipment Group

- Leading U.S. producer of tank containers and tank heads for pressure vessels and the largest LPG container manufacturer in North America.
- Low-cost operator with primary tank container production in Mexico facilities
- Leading North American producer in fast-growing structural wind tower business
- Synergies among products across multiple Trinity business groups



## Energy Equipment Group Highlights

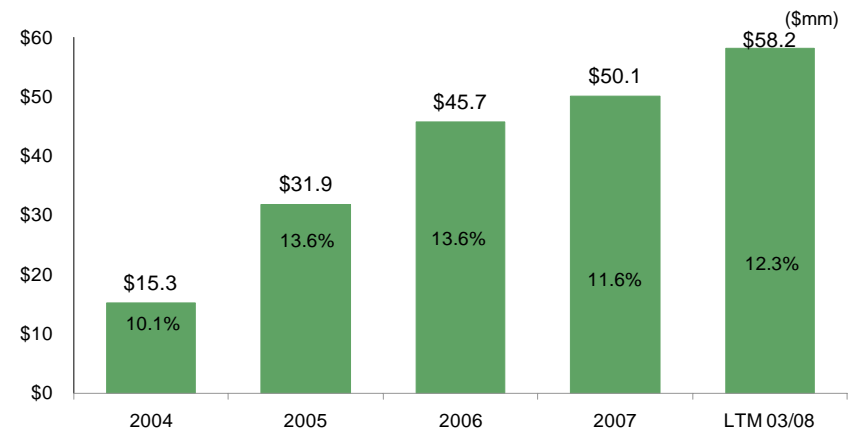
### Tank Containers:

- Consistent and mature business
- Trinity has taken cost out of the business
  - Improved processes
  - Elimination of non-profitable products
  - Consolidated North American operations

### Structural Wind Towers:

- Revenues expected to grow from \$11mm in 2004 to \$390mm in 2008
- Trinity's order backlog as of 03/31/08 was more than \$1.6 billion
- New Illinois plant to serve Midwest market opened in mid-2007
- New plant in Mexico opened in Q1 08

## Energy Equipment Group Historical Operating Profit <sup>(1)</sup>



(1) Before eliminations

