2016 Letter to Our
SHAREHOLDERS

March 31, 2017

Dear Fellow Shareholders:

After delivering three consecutive years of record earnings, Trinity's financial results for 2016 reflect the first full year of a cyclical downturn that began impacting our primary businesses in the second half of 2015. Lower prices for oil and other commodities, the strong U.S. dollar, and an oversupply of railcars and barges in North America, combined with uncertainty in the industrial economy, were key factors influencing demand for our products. As a result, Trinity's revenues declined 28% to $4.6 billion, net income decreased 57% to $344 million, and earnings per share fell 56% to $2.25.

As we enter the second quarter of 2017, the oversupply of railcars and barges continues to affect market demand for these products. Our railcar and barge manufacturing business leaders are preparing for what may be an extended downturn. Demand for the majority of our other manufactured products is being influenced by the North American economic and political environment. We are seeing a unique mixture of uncertainty and optimism in the majority of the markets we serve. While our customers appear optimistic regarding the future of their businesses, they are generally delaying purchases of large capital equipment until they see which public policies proposed by the new administration will be authorized by Congress. The flexible nature of Trinity's corporate business model and manufacturing platform allows us to respond quickly when demand for our products improves. Should a major infrastructure spending program be implemented, we believe our industrial manufacturing, construction aggregates, and railcar leasing businesses are ready to capitalize on the resulting opportunities.

CHALLENGES MAKE US STRONGER

This is the seventh cyclical downturn I have experienced in my more than 40 years with the Company, and the third in my role as Chief Executive Officer. Each of these prior cycles provided valuable learning opportunities that I believe we have successfully leveraged in preparation for the current cycle. Trinity has continuously evolved and improved as a company during my career. As seasoned managers of some highly cyclical businesses, we focus on a number of critical areas during downturns, including

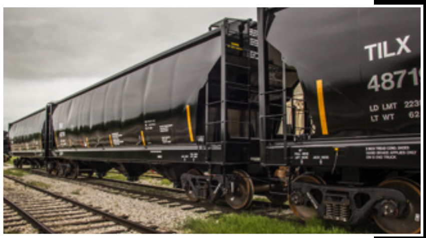
- closely monitoring early signs of cyclical movements in the end markets our businesses serve while aggressively pursuing orders for products;
- maintaining a low cost structure as well as a strong balance sheet to be financially positioned to respond quickly when opportunities surface;
- seeking acquisition opportunities that have the potential to enhance and diversify our Company, while counterbalancing the cyclical demand for railcars and barges; and
- making investments to improve our businesses so they can perform better when demand increases.

A POSITION OF STRENGTH

Our businesses generated strong cash flows during the recent up cycle, enhancing the strength of our balance sheet. We ended 2016 with roughly $2.1 billion of committed liquidity, as well as additional liquidity in the form of unencumbered leased railcars.

Many of our businesses have been market-leading companies for decades. We have extensive experience establishing and maintaining market leadership positions and devote significant resources year after year to enhancing them. When demand for railcars and barges is high, our market leadership contributes to our ability to obtain large orders from major customers, thereby building our backlogs. Large backlogs are especially important when market demand begins to decline. As an example, our railcar and barge manufacturing businesses entered 2016 with solid backlogs, easing the transition to lower production levels during the year. At the end of 2016, our railcar manufacturing business had a $3 billion backlog, providing greater railcar production visibility than in any previous downturn.

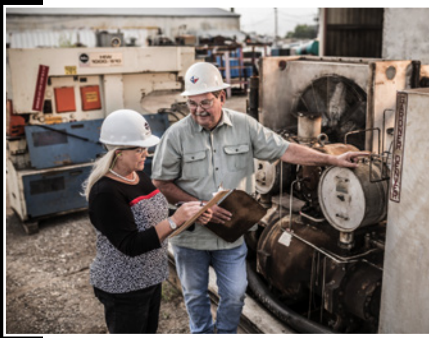
Stable operating earnings, as well as earnings from sales of leased railcars in our Railcar Leasing and Management Services Group, further strengthen our Company. During the past decade we have tripled the size of our owned and managed railcar lease fleet. This business is now expected to provide a solid base of annual earnings and cash flow. Our leasing company has been a very effective venue for investing a portion of our cash. Railcars with leases earn respectable short-term returns and provide a certain amount of liquidity and financial flexibility. We began 2017 with $2.5 billion of unencumbered railcars with leases in our portfolio.



The investment we have made to bring scale to our construction aggregates business now provides us with diversified earnings and long-term growth potential. This business has more than tripled its annual revenues to approximately $215 million since 2012 as a result of improvement in demand levels as well as acquisitions we completed during the past few years. We anticipate making additional, small strategic investments to expand our mining footprint geographically and increase our surface mineral reserves.

The connections between our businesses also strengthen the Company. Our businesses serve 16 diverse, primary end markets as highlighted in our 2016 Annual Report, ranging from wind energy, coal, and upstream oil and gas, to agriculture, automotive, commercial construction, and consumer goods. These end markets are both broad and deep and include numerous value chains and supply chains that utilize our infrastructure-related products. Many of our businesses serve the same end markets, providing opportunities for collaboration that strengthen intercompany connections and foster improved customer service. To view a short video about our businesses' interconnections, please visit video.trin.net/interconnected.

OUR CORPORATE BUSINESS MODEL AND OUR ACQUISITION STRATEGY WORK WELL TOGETHER



Our corporate business model is designed to generate value through the ownership and management of a portfolio of industrial companies that benefit by being a part of Trinity. One of our key goals is to own complementary, market-leading businesses that can leverage one another's physical resources, talent, and expertise as they confront unique market challenges and opportunities. Our corporate business model is supported by a culture and competencies that generate value through shared enrichment. Our businesses work together toward common goals and objectives as we strive to fulfill our corporate vision of being a premier, diversified industrial company. Collaboration and flexibility, which are key characteristics of our culture, reinforce the sharing of knowledge and best practices throughout our enterprise.

Our corporate business model and our acquisition strategy have worked in unison for decades. We seek companies that align with our corporate business model and enhance our pool of enrichment opportunities. We look for industrial businesses that

- strengthen the existing synergies in our portfolio;
- offer the potential for establishing sustainable market leadership positions;
- provide diversified earnings; and
- generate high-quality, long-term financial results.

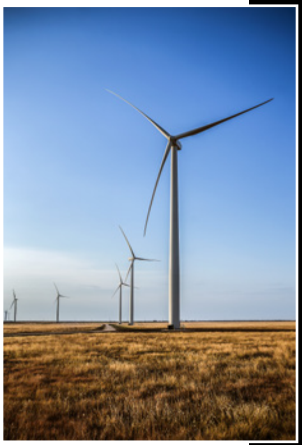
Today, there is an abundant supply of capital in the market for acquisitions, and as a result, valuations are high. While we are well positioned to make strategic acquisitions, we intend to exercise discipline and patience until we believe the situation and timing are right. Our balance sheet provides us the resources to pursue the right opportunities.

BUSINESS HIGHLIGHTS

Today, Trinity is uniquely positioned as a diversified industrial company. Our portfolio includes a core group of market-leading industrial manufacturing companies; a large, integrated railcar leasing and services business; and construction aggregates businesses. Our businesses are supported by a highly efficient and seamless logistics operation that ensures timely delivery of finished products to our customers, and raw materials, parts, and components to our manufacturing operations.

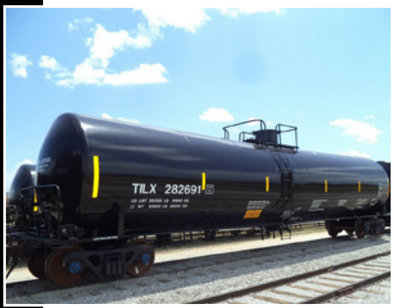
Our Construction Products Group had an outstanding year during 2016, generating record operating profit of $73 million, a 33% increase over 2015. This was in large part due to our construction aggregates business, which benefited during 2016 from increased infrastructure-related work and population growth in the regions it serves. During the second quarter of 2016, our construction aggregates business expanded its surface mineral reserves with a strategic land acquisition in Texas that has sufficient aggregates to serve a major metropolitan area for many years to come. We continue to look for opportunities to grow this business. In addition, our highway products businesses and our shoring products business contributed to the Construction Products Group's 2016 performance. Increased demand during the year for construction products, along with an optimized manufacturing footprint, has resulted in improved margins. During 2016, we experienced a slight uptick in demand for highway products due to the comprehensive highway bill passed by Congress at the end of 2015. We are optimistic about the opportunities for our Construction Products Group should Congress approve a major infrastructure bill.

Our Energy Equipment Group plays a key role in the diversification of our Company and also serves infrastructure end markets. Revenues for this group were roughly flat in 2016, while profits declined 12%, primarily due to weak demand for products used by the oil and gas markets. A bright spot was our structural wind towers business, which experienced increased demand in 2016 due to a renewable energy tax credit Congress passed at the end of 2015. During 2016, our wind towers business received orders of $1.2 billion, including a $940 million order for wind towers deliverable during a three-year period, beginning in 2017. To fulfill these orders, we successfully converted one of our railcar and container manufacturing facilities to wind tower production, an example of our operational flexibility. At the end of the year, the wind towers backlog stood at $1.1 billion, a threefold increase year over year.



The performance of our Inland Barge Group in 2016 reflects ongoing weak demand for barges used to transport goods along the inland waterways. Demand for new barges declined during 2016, a result of the large number of barges manufactured during the past several years and various freight movement factors. Our barge team has focused during the past few years on increasing its operational flexibility. During 2016, the Inland Barge Group did an excellent job maintaining production efficiencies while aligning its manufacturing footprint with market demand.

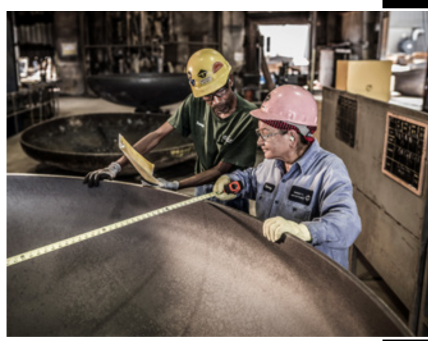
A sluggish industrial economy, the large number of idle railcars, and excess railcar production capacity created a highly competitive market for railcars during 2016. At this point, it is difficult to predict when the market demand for railcars will return to normal levels. Demand for railcars has historically improved when railcar loadings increase and idle railcars in storage are put back into service. We are keeping a watchful eye on these key indicators as well as various market shifts, and will be ready to adjust our manufacturing resources when there is an uptick in demand. Our Rail Group met the financial expectations we established early in 2016, generating revenues of $3.1 billion and operating margins of approximately 15%. The rail team did an outstanding job transitioning to lower production levels while delivering 27,240 railcars in 2016 compared to 34,295 railcars in 2015. While this number was below 2015's record, railcar deliveries in 2016 were the fifth highest in Company history. At the end of 2016, the Rail Group backlog totaled 29,220 railcars valued at $3 billion and extended into 2021.



Our Railcar Leasing and Management Services Group had a solid year in 2016, producing $827 million in revenues and $360 million in operating profit. During 2016, we added new, leased railcars with a value of $1 billion to our wholly owned lease fleet, and we expect to add an additional $500 million to $600 million in 2017. We sold $170 million of leased railcars to our Railcar Investment Vehicle (RIV) platform in 2016, and we expect to sell another $300 million to $400 million this year. RIVs are portfolios of leased railcars developed and managed by *TrinityRail* that are sold to institutional investors. At the end of 2016, our owned and managed leased railcar fleet totaled 103,840 railcars, an increase of 10% year over year. Railcar Leasing and Management Services did a good job of renewing expiring leases. At the end of 2016, 97.6% of Trinity's railcar fleet was on lease, virtually the same level as at the end of 2015.

TRINITY CRAFTSMANSHIP PLAYS A MAJOR ROLE IN THE SUCCESS OF OUR COMPANY

Our ongoing accomplishments during the Company's 80-plus-year history are possible because of the capabilities and expertise of our dedicated employees. The people who work at Trinity are highly skilled, take personal pride in their work, and strive for perfection every day, exemplifying what we refer to as Trinity Craftsmanship. Trinity Craftsmanship is woven into every facility and department within our Company, from the manufacturing floor to the Corporate office. Our employees' can-do attitudes and flexible mindsets position us to better serve our customers. Their commitment to quality underscores our vision of being a premier diversified industrial company. Trinity Craftsmanship also supports the interconnections and competitiveness of our businesses, providing value to our stakeholders. To learn more about Trinity Craftsmanship, please go to video.trin.net/Craftsmanship, where you will find a short video highlighting our talented and dedicated employees.



TRINITY'S TEAM

I am very grateful for the talents and expertise of all the people who are part of the Trinity team. Our Board of Directors is an important resource for our organization. Our directors have a wealth of knowledge and expertise that spans a wide range of professions and industries, and are experienced at leading organizations through a variety of business conditions. Their ongoing counsel is an incredible asset. We are fortunate to have such a talented group of individuals as members of our Board.

We also value our shareholders. During 2016, we continued to pay quarterly dividends – extending our 50-plus-year dividend payment track record – and repurchased $35 million of shares under our current share repurchase authorization. Over the past decade, capital returned to shareholders, including dividends and share repurchases, totaled $781 million.

All of our stakeholder relationships are important to us. In addition to our employees, directors, and shareholders, we value our customers, our suppliers, and the communities in which our businesses operate. We are committed to meeting or exceeding regulatory requirements that apply to our businesses and products while reducing the environmental impact of our operations. Consideration of potential effects on human health and the environment are an integral part of our business decisions. We consider compliance, sustainability, and environmental stewardship extensions of "doing what is right," a key principle within our Company's Code of Business Conduct and Ethics.

CLOSING REMARKS

As you can probably tell, I have a strong fondness and admiration for our Company and our stakeholders and am proud and honored to be Trinity's Chairman and CEO. I am fortunate to have had the opportunity to work for Trinity for more than four decades. I spent my first 23 years working under my father's guidance. W. Ray Wallace served as Chairman and CEO of Trinity for 41 years. He spent the first two decades of his career working and learning from his "Uncle C.J." Bender, Trinity's founder. Last June, my father passed away at the age of 93, ending a 30-year fight with cancer. He was the ultimate survivor and never lost his will to live. During his tenure as Trinity's leader, he embedded many of his traits and knowledge into Trinity's foundation. He is missed by many, but will always be remembered for his vision, commitment to excellence, and unique energy and spirit.

When I became CEO, my goal was to build upon the foundation that my father and his management team established. Today we have a highly experienced and knowledgeable Board and a very talented and loyal group of employees. When I am confronted with a complex opportunity, challenge, issue, or problem, I tap into Trinity's seasoned and knowledgeable executive and management teams. I work with an exceptional group of people, and I value their input and support.

The global business environment today is highly dynamic, resulting in an endless flow of both challenges and opportunities. I am pleased with our Company's ability to successfully transition as market conditions shift. We strive to do our best in every market environment, and constantly seek to strengthen our Company's competitive position. Our accomplishments and track record are due to the capabilities and expertise of our dedicated and hardworking employees, our ability to respond effectively to changes in market demand, and our ongoing commitment to provide superior products and services to our customers and high-quality earnings and returns to our shareholders. I believe the Company is well positioned should this down cycle prove to be extended. We are also poised and ready to reach new heights when demand eventually accelerates.

Thank you for reading this letter and your ongoing support.

Sincerely,

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

TRINITY INDUSTRIES, INC.