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## Trinity Industries, Inc. Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). We'll go first to the site of Steve Barger with KeyBanc Capital. Your line is open. Please go ahead.

#### Steve Barger - KeyBanc Capital

Thinking about how some of the volumes in the segments are going to come down, I just want to pose a hypothetical. If you run 1,000 cars through one or two plants per quarter in the back half, how should we think about the margin profile of the rail segment? Does it get a lot worse from here or should we be thinking negative 2% or negative 12%?

#### Bill McWhirter

Yes. Steve, I think it's a little early for us to talk about margins in the back half. Key for us is rationalizing the business to the footprint in that kind of output. The rail guys have done a really exceptional job in bringing the plants down that needed to be brought down, but at this time we're not prepared to give margins to the back half.

#### Steve Barger - KeyBanc Capital

Just directionally speaking, could you limit it, hypothetically speaking, to a low single-digit number?

#### Bill McWhirter

No. I don't think at this time we can comment on the margin of the back half.

#### Tim Wallace

Yes. Well, especially a hypothetical?

#### Bill McWhirter

Yes.

#### Steve Barger - KeyBanc Capital

Well, you told us you're going to deliver 5,000 for the rest of the year and 2,500 to 3,000 in your next quarter, so it's not that hypothetical.

**Tim Wallace**

That's right and I think, Bill, didn't you give them margins for what we're anticipating?

**Bill McWhirter**

I gave margins for the second quarter of a loss between 1% and 3% in the second quarter.

**Steve Barger - KeyBanc Capital**

Thinking about the utilization for the next couple of quarters in the leasing fleet, what can we expect for lease renewals for stuff that's coming off? And can you just kind of talk about market conditions there?

**Tim Wallace**

Steve, why don't you take that one?

**Steve Menzies**

Sure. Well, certainly it's a highly-competitive market out there, there's a lot of cars available in the marketplace and we're having to work through that. The market is choppy and we're managing, really, our fleet on a month-to-month basis. We don't have a disproportioned number of renewals this year, a reminder that our fleet is primarily comprised of tank cars, covered hoppers and coal cars.

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