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CAI International, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Bob Napoli of Piper Jaffray.

Robert Napoli - Piper Jaffray

The global economy has been slowing down, John, as you pointed out and I just wondered as we look at some of these trends, I think in some markets there may be a little bit more concerns even as over the last couple of weeks. I just wondered what you guys are seeing trend wise on a month-to-month basis and what your expectations are. I know you gave some of the forecast from some of the industry economic forecasters, but I just wondered what you guys are seeing and I think that's probably the biggest rift to your story is this global trade slow down.

John Nishibori

We really have not seen any impact on our business. The first reason is probably because the decline in the growth rate from 9.7% last year to 8.7% this year is so slight and that has been more than offset by the fact that the shipping companies are leasing a lot more containers than owning them these days and that is very much reflected in our high utilization rate.

So the slight decline in the growth rate, mind you trade itself is growing and it is growing at a very nice rate, even at 8.7%. That's a lot more than you can say about a lot of other industries. So we really have not experienced that in our business, in fact for our business it has been very good. We believe this trend will continue and as the world economies recover next year, just like Clarkston's research is saying, we believe that the world trade will go back to a growth rate of 9.7%.

All in all, all I can say is that we are not seeing any negative impact. You can see from our financials too. Our revenue is growing, our income is growing, and our utilization is growing, so I feel very comfortable with the situation.

Robert Napoli - Piper Jaffray

You acquired Consent last quarter and I think you gave, I forget what exactly the accretion was, \$0.05 to \$0.10 accretion on an annualized basis or so.

Victor Garcia

Seven to ten.

Robert Napoli - Piper Jaffray

Seven to ten, ah, how is consent going? Is it in line with your business plan, behind, or ahead, what did it add this quarter?

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