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## CAI International Inc. FY09 Guidance Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) Your first question comes from Brian Gesuale – Raymond James.

#### Brian Gesuale – Raymond James

I wanted to ask you how do you look at the uncertainty in the macro environment when forming the guidance, maybe more specifically as we look at kind of a lingering supplemental yet to be passed and also the likelihood of the continuing resolution in 09. How do you expect that to effect order flow and funding orders as we move through the year?

#### Bill Fairl

We do our forecasting, we have a pretty defined process we've been using for quite a few years around here. We kind of build it from the bottom up and look at every project basically on its own merits and forecast it. We look at our new business pipeline as well and I think I'll start here Dave and I'll ask you to jump in here a little bit.

But I think the key thing for us is looking at FY09 and to your point about continuing resolution and the likelihood of a prolonged situation there is what that really affects is any new start programs once you get into fiscal 09. So we've taken that into consideration in our forecasting, tried to think about that.

#### Dave Dragics

We see a continue resolution from October 1 to January 20, I mean there's probably more of a probability of that than there is of anything being passed. That being said, if you look at the supplemental, which could be voted on in the Senate today, everybody gets out of town for the recess after tomorrow.

They've provided money for the operations in Southwest Asia in that supplemental which should be cover for the Department of Defense, assuming they're on a continuing resolution for the first four months or three and a half months or so. So it goes back to the old rule, one of our three rules, it's not a matter of if they're going to spend the money or pass the budget, it's a matter of when.

And we think that people here in Washington DC can pretty well do a pretty good job of moving around that. I mean you've been able to see that the Department of Defense has been able to go this far with only a \$70 billion supplemental passed as part of the Omnibus. But the little political theater, we got down to the wire but it looks like everything is going to be passed. And so it's business as usual and I think that's how we look at it as well.

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