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CAI International, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) And we will take our first question from Brian Hogan, Piper Jaffray.

Brian Hogan – Piper Jaffray

My first question and just regard to competition, what are you seeing out there in regards to that or is it just primarily the bigger guys, and smaller guys kind of struggling? And with that, do you think there is room for consolidation, kind of your viewpoint on that?

John Nishibori

Yes. On the competition, we do see the usual suspects. The two other public companies as well as couple of more large companies, but the smaller companies I think are pretty much out of the market or has been out of the market for a while now. I also feel that because of that and because of the tightness incurred [ph] there is opportunity for acquisitions this year consolidation.

Brian Hogan – Piper Jaffray

Alright. Can you give a kind of past history of the utilization relates? What's the highest that have been and the lowest that have been like the last cycle were they down on the 80% always that's historically where they have been?

John Nishibori

Let's see. The highest has been I think about 95.7, is the highest.

Brian Hogan – Piper Jaffray

When was that?

John Nishibori

That was –

Brian Hogan – Piper Jaffray

Recently?

John Nishibori

Yes, on the first half of last year, we're actually starting with the latter quarter of 2007 and first six months, 6 months, 7 months or 6 months to 8 months of 2008. Those were the high end, historical high end.

Victor Garcia

I think in the – this is Victor. I think the last downturn 2001-2002 obviously utilization was much lower, but I think we are in the somewhere in the high 60's, low 70's, but its really a whole different market both we as a company we were a different company back then, much smaller and we also had a lot of MLA, short term business.

John Nishibori

Yes, we were predominantly short-term operators, whereas now 75% of our leases are in long-term.

Brian Hogan – Piper Jaffray

Versus opposite of that, like in the one or two?

John Nishibori

Oh, yes.

Brian Hogan – Piper Jaffray

So just complete –

Victor Garcia

Historically, we started out as a 100% – almost a 100% short-term operator and then slowly and gradually we increased the long-term portion.

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