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## CAI International Inc F3Q09 (Qtr End 03/31/09) Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) And we'll take our first question from Michael Lewis from BB&T Capital Markets.

#### Michael Lewis – BB&T Capital Markets

Good morning. Thank you very much for taking my question. Randy, I was happy to see that USAMS was released on protest but can you give us an update on the ETAS recompetete?

#### Paul Cofoni

Yes, I can. It's – Bill, do you want to take that?

#### Bill Fairl

Yes. Mike, this is Bill Fairl. We expect to hear something formally from the Army here within the very near future, certainly within this quarter, and perhaps even this month, and as we've said before on this thing, we really like our position. As we have a great team out there we're very close to our customers. So, I would say we're highly optimistic.

#### Paul Cofoni

A little hesitation we had there in answering this question is not that we don't know the answer so much as it is that customers asked us to keep a very low profile in terms of what's going on, because they're in a very delicate period in the evaluation process.

#### Michael Lewis – BB&T Capital Markets

Yes, that's fair. We know that we were expecting that in March, but that information is fine. But a second question here. We did hear from a larger competitor last week with regard to – they discussed a slowdown that they witnessed in their intel services area. I'm wondering if CAI is seeing any weaknesses in their businesses across the intel agencies. I know it's up, but is there any areas that may be lagging more so than what you had anticipated?

#### Paul Cofoni

That's a good question, Mike. And as you might imagine we've been out pulsing – visiting with our clients and trying to get a sense of that ourselves. Obviously, our results show that we're still growing our intelligence. And Bill has some first hand visits that he has done with clients. Bill, do you want to –

**Bill Fairl**

Sure. Mike, we've been out, Randy, myself, Paul, we've all been out talking to our clients. As you might imagine we do that all the time anyway, but when you think back to secretary Gates remarks about a month ago we were asking in light of that, so your question kind of falls into that buck. And the answer is, no, we haven't seen any. In fact, we've had some real plus-ups in our demand here recently. I think it depends on what customer space here in. I'll give you an example. We're participating in this program, I'll just call simply an ISR surge that's around our intelligence community work, and that's provided us with a bucket full of new hiring opportunities where we already have the client relationships and the solid client vehicle. So we're – that's, as we look into next year, that's going to be one of our growth engines, that whole intelligence area and the customers are standing right behind that. They need us there.

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