



CAI International, Inc. Reports Results for the Second Quarter of 2007

SAN FRANCISCO, Jul 25, 2007 (PrimeNewswire via COMTEX News Network) --

CAI International, Inc. (CAI) (NYSE:CAP) reported that net income in the second quarter of 2007 increased \$0.5 million, or 13.3%, to \$4.1 million, compared with net income of \$3.6 million in the second quarter of 2006. CAI's basic earnings per share in the second quarter of 2007 increased 52.6% to \$0.29 with 14.0 million average shares outstanding, compared with basic earnings per share of \$0.19 with 21.2 million average shares outstanding in the second quarter of 2006. Fully diluted earnings per share in the second quarter of 2007 increased 35.3% to \$0.23 with 17.1 million average shares outstanding, compared to fully diluted earnings per share of \$0.17 with 21.7 million average shares outstanding in the second quarter of 2006.

In the second quarter of 2007, CAI's revenue was \$14.0 million, unchanged from the total revenue reported in the second quarter of 2006. Container rental revenue increased \$0.8 million, or 9.7%, to \$8.3 million from \$7.5 million in the second quarter of 2006. Management fee revenue increased \$0.5 million, or 16.3%, to \$3.4 million from \$2.9 million in the second quarter of 2006. The increase in container rental and management fee revenue was offset by a decline in gain on sale of container portfolios of \$1.1 million, or 34.3%, to \$2.1 million from \$3.2 million in the second quarter of 2006. Finance lease income in the second quarter of 2007 was \$0.3 million, unchanged from finance lease income reported in the second quarter of 2006.

CAI's operating income in the second quarter of 2007 was \$8.5 million, an increase of \$1.6 million, or 22.9%, from \$6.9 million during the second quarter of 2006. Operating income for the second quarter of 2007, compared to the second quarter of 2006, was impacted by a \$1.4 million decline in depreciation expense during the quarter, a \$0.8 million increase in the gain on disposition of used equipment, and a \$0.7 million gain on settlement of lease obligation. During the second quarter of 2007, marketing, general, and administrative expenses increased by \$1.2 million, or 43.5%, to \$3.9 million as a result of increased cash and stock-based incentive compensation expenses.

Comments from the CEO

Masaaki (John) Nishibori, Chief Executive Officer of CAI, commented, "The second quarter of 2007 was an historic quarter for CAI. During the quarter we successfully completed our initial public offering and used the proceeds to reduce our outstanding debt. Our balance sheet is now significantly less leveraged and will enable us to better seek growth opportunities."

"We were able to complete our public equity offering while maintaining our focus on operations. During the second quarter, the seasonal increase in lease outs of new containers were approximately a month delayed from our expectations. Despite the delay, we increased the number of TEU factory lease outs by 60% compared to the factory lease outs during the second quarter of 2006. The average utilization of our operating fleet for the second quarter of 2007, net of units held at the manufacturer pending initial lease out, was 93.7%, compared to 89.4% during the second quarter of 2006. Secondary sales activity of containers also has remained very strong. We expect utilization and the value of used containers to remain strong during the second half of the year. Overall, we expect demand for new containers in 2007 to be strong. However, rates on new leases remained subject to strong competitive pressure during the quarter and we expect this competitive environment to persist for the rest of the year."

CAI's conference call to discuss financial results for the second quarter of 2007 will be held on Thursday, July 26, 2007 at 2:00 p.m. EDT. The dial-in number for the teleconference is 1-800-310-7032; outside U.S., call 1-719-457-2694. The call may be accessed live over the internet (listen only) under the "Investors" tab of CAI's website, www.caiintl.com, by selecting "Q2 2007 Earnings Conference Call." A webcast replay will be available for 90 days on the Investors section of our website.

About CAI International, Inc.

CAI is one of the world's leading managers and lessors of intermodal freight containers. As of June 30, 2007, the company operated a worldwide fleet of 689,000 TEU of containers through 10 offices located in 8 countries.

This press release contains forward-looking statements regarding future events and the future performance of CAI International, Inc. These statements are forward-looking statements within the meaning of the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934 and involve risks and uncertainties that could cause actual results to differ materially from current expectations including, but not limited to, economic conditions, customer demand, increased competition and others. CAI refers you to the documents that it has filed with the Securities and Exchange Commission, including its registration statement on Form S-1. These documents contain additional important factors that could cause actual results to

differ from current expectations and from forward-looking statements contained in this press release. Furthermore, CAI is under no obligation to (and expressly disclaims any such obligation to) update or alter any of the forward-looking statements contained in this press release whether as a result of new information, future events or otherwise, unless required by law.

The CAI International logo is available at <http://www.primenewswire.com/newsroom/prs/?pkgid=3968>

CAI International, Inc.
Consolidated Statements of Income
(in thousands, except per share data)
(UNAUDITED)

	Successor		Predecessor	
	-----		-----	
	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
Revenue:				
Container rental revenue	\$ 8,280	\$ 7,549	\$16,160	\$15,611
Management fee revenue	3,368	2,896	6,787	5,470
Gain on sale of container portfolios	2,096	3,188	4,991	5,120
Finance lease income	290	320	609	627
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Total revenue	14,034	13,953	28,547	26,828
	-----	-----	-----	-----
Operating expenses:				
Depreciation of container rental equipment	1,761	3,128	3,451	6,495
Amortization of intangible assets	309	--	617	--
Impairment of container rental equipment	105	4	224	241
Gain on disposition of used container equipment	(1,043)	(238)	(2,048)	(385)
Gain on settlement of lease obligation	(694)	--	(694)	--
Equipment rental expense	423	396	818	792
Storage, handling and other expenses	719	988	1,390	1,655
Marketing, general and administrative				

expense	3,947	2,750	7,249	6,099
	-----	-----	-----	-----
Total operating expenses	5,527	7,028	11,007	14,897
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Operating income	8,507	6,925	17,540	11,931
Interest expense	2,688	1,253	5,927	2,858
Gain on extinguishment of debt	(681)	--	(681)	--
Interest income	(11)	(10)	(20)	(19)
	-----	-----	-----	-----
Net interest expense	1,996	1,243	5,226	2,839
	-----	-----	-----	-----
Income before income taxes	6,511	5,682	12,314	9,092
Income tax expense	2,400	2,051	4,591	3,282
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Net income	4,111	3,631	7,723	5,810
(Accretion)/decretion of preferred stock	(5)	488	(5,577)	976
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Net income available to common shareholders	\$ 4,106	\$ 4,119	\$ 2,146	\$ 6,786
	=====	=====	=====	=====
Net income per share:				
Basic	\$ 0.29	\$ 0.19	\$ 0.17	\$ 0.32
Diluted	\$ 0.23	\$ 0.17	\$ 0.17	\$ 0.27
Weighted average shares outstanding:				
Basic	13,954	21,168	12,278	21,168
Diluted	17,136	21,735	12,278	21,764

CAI International, Inc.
Consolidated Balance Sheet
(In thousands, except share information)
(UNAUDITED)

ASSETS	June 30, 2007	December 31, 2006
	-----	-----
Cash	\$ 9,536	\$ 20,359
Accounts receivable (owned fleet), net of allowance for doubtful accounts of \$851 and \$1,045 at June 30, 2007 and December 31, 2006, respectively	9,245	7,731
Accounts receivable (managed fleet)	24,588	24,061
Related party receivables	--	128

Current portion of direct finance leases	3,375	2,248
Deposits, prepayments and other assets	3,763	4,077
Deferred tax assets	963	915
Total current assets	51,470	59,519
Container rental equipment, net of accumulated depreciation of \$89,636 and \$93,633 at June 30, 2007 and December 31, 2006, respectively	180,927	161,353
Net investment in direct finance leases	4,030	4,329
Furniture, fixtures and equipment, net of accumulated depreciation of \$323 and \$290 at June 30, 2007 and December 31, 2006, respectively	459	459
Intangible assets, net of accumulated amortization of \$925 and \$307 at June 30, 2007 and December 31, 2006, respectively	6,584	7,093
Goodwill	50,247	50,247
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Total assets	\$ 293,717	\$ 283,000

LIABILITIES, REDEEMABLE CONVERTIBLE
PREFERRED STOCK AND STOCKHOLDERS' EQUITY

Accounts payable	\$ 3,986	\$ 3,585
Accrued expenses and other current liabilities	4,346	15,276
Due to container investors	21,154	21,650
Unearned revenue	782	740
Current portion of long-term debt	--	5,000
Current portion of capital lease obligation	207	525
Rental equipment payable	26,679	30,788
Total current liabilities	57,154	77,564
Revolving credit facility	93,090	97,000
Term loan	--	13,750
Subordinated convertible note payable	--	37,500
Deferred income tax liability	24,413	24,500
Capital lease obligation	--	31
	-----	-----
Total liabilities	174,657	250,345

Cumulative redeemable convertible preferred stock:

Series A 10.5% cumulative redeemable convertible preferred stock, no par value Aggregate liquidation value of zero at June 30, 2007 and \$1,531 at December 31, 2006. Authorized 1,113,840 shares; issued and outstanding, zero at June 30, 2007 and 724,920 shares at December 31, 2006	--	6,072
Note receivable on preferred stock	--	(1,172)
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Total cumulative redeemable convertible preferred stock:	--	4,900
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Stockholders' equity:

Common stock, no par value; authorized 84,000,000 shares; issued and outstanding, 10,584,000 shares at December 31, 2006	--	1,260
Common stock, par value \$.0001 per share; authorized 84,000,000 shares; issued and		

outstanding, 17,108,920 shares at June 30, 2007	2	--
Additional paid-in capital	90,410	--
Accumulated other comprehensive income	102	95
Retained earnings	28,546	26,400
Total stockholders' equity	119,060	27,755
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Total liabilities and stockholders' equity	\$ 293,717	\$ 283,000
	=====	=====

As of December 31,

	As of June 30, 2007	2006	2005	2004
	-----	-----	-----	-----
Selected Operating Data:				
				(unaudited)
Managed fleet in TEUs	514,120	483,333	456,076	416,254
Owned fleet in TEUs	175,325	185,645	141,653	171,790
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Total	689,445	668,978	597,729	588,044
	=====	=====	=====	=====
Percentage of on-lease fleet on long-term leases	70.7%	65.3%	64.7%	57.7%
Percentage of on-lease fleet on short-term leases	27.5	32.8	33.5	41.2
Percentage of on-lease fleet on finance leases	1.8	1.9	1.8	1.1
	-----	-----	-----	-----
Total	100.0%	100.0%	100.0%	100.0%
	=====	=====	=====	=====

Year Ended December 31,

	Three Months Ended June 30, 2007	2006	2005	2004
	-----	-----	-----	-----
				(unaudited)
Average leased fleet utilization rate for the period	93.7%	90.6%	90.7%	89.8%

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