

CAI International, Inc.
Form 424B5
November 27, 2012
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-173540

This preliminary prospectus supplement and the accompanying prospectus relate to an effective registration statement under the Securities Act of 1933, as amended, but are not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 27, 2012

PRELIMINARY PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MAY 31, 2011

Shares

CAI International, Inc.

Common Stock

We are offering an aggregate value of \$50,000,000 shares of our common stock and the selling stockholders are offering an aggregate value of \$20,000,000 shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol CAP. The last reported sales price of our common stock on November 26, 2012 was \$22.92 per share.

The underwriters have a thirty-day option to purchase a maximum of an aggregate value of \$10,500,000 additional shares of our common stock from us and certain of the selling stockholders to cover over-allotments, if any.

Investing in our common stock involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement.

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	Price to Public	Underwriting Discounts and Commissions	Proceeds to Issuer	Proceeds to Selling Stockholders
Per Share	\$	\$	\$	\$
Total	\$	\$	\$	\$

Delivery of the shares of common stock is expected to be made on or about , 2012.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse

Wells Fargo Securities
The date of this prospectus supplement is November

Keefe, Bruyette & Woods
, 2012.

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Neither we, nor the selling stockholders, nor the underwriters have authorized any other person to provide you with information different from that contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or in any free writing prospectus that we may provide to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give. We and the selling stockholders are offering to sell and are seeking offers to buy shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus is accurate only as of the date such information is presented regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of common stock. Our business, financial condition, results of operations and prospects may have changed since such date.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of shares of our common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in the prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement; provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the prospectus or this prospectus supplement the statement in the document having the later date modifies or supersedes the earlier statement.

As permitted by the rules and regulations of the Securities and Exchange Commission (SEC), the registration statement of which this prospectus supplement forms a part includes additional information not contained in this prospectus supplement. You may read the registration statement and the other reports we file with the SEC at the SEC's website or at the SEC's offices described below under the heading "Where You Can Find More Information."

You should read this prospectus supplement along with the accompanying prospectus and the documents incorporated by reference carefully before you invest. These documents contain important information you should consider when making your investment decision. This prospectus supplement contains information about the shares of common stock offered in this offering and may add, update or change information in the accompanying prospectus.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to "CAI," "we," "us," "our," "the Company" or similar references mean CAI International, Inc. together with its consolidated subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights selected information about us contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information you should consider before making a decision to invest in our common stock. You should review this entire prospectus supplement and the accompanying prospectus carefully, including the risks of investing in our common stock described under the heading "Risk Factors" in this prospectus supplement, as well as our consolidated financial statements and notes thereto and other information incorporated by reference in this prospectus supplement and the accompanying prospectus.

Company Overview

Founded in 1989, we are one of the world's leading container leasing and management companies. We purchase new and used containers, lease them primarily to container shipping lines, freight forwarders and other transportation companies and either retain them as part of our owned fleet or sell them to container investors for whom we then provide management services. In operating our fleet, we lease, re-lease and dispose of containers and contract for the repair, repositioning and storage of containers. As of September 30, 2012, our fleet consisted of approximately 1,061,000 twenty-foot equivalent units (TEUs) of containers, 58.1% of which represented our owned fleet and 41.9% of which represented our managed fleet. On October 19, 2012, we purchased approximately 71,000 TEUs of container assets from Dritte Schroeder Container Beteiligungsgesellschaft mbH & CO. KG and its affiliate (Dritte Transaction). These container assets were part of our managed fleet prior to the transaction. Assuming that the Dritte Transaction had been in effect as of September 30, 2012, our owned fleet would have represented 64.8% of our total fleet. Average utilization of our fleet was 94.8% for the quarter ended September 30, 2012 and was 93.8% for the fourth quarter through November 27, 2012.

We lease our containers to lessees under long-term leases, short-term leases and finance leases. Long-term leases cover a specified number of containers that will be on lease for one year or more. Short-term leases provide lessees with the ability to lease containers either for a fixed term of less than one year or without a fixed term on an as-needed basis, with flexible pick-up and drop-off of containers at depots worldwide, subject to certain restrictions. Finance leases are long-term lease contracts that generally grant the lessee the right to purchase the container at the end of the term for a nominal amount. As of September 30, 2012, 94.5% of our fleet, as measured in TEUs, was on lease, with 77.6% of these containers on long-term leases, 16.5% on short-term leases and 5.9% on finance leases, with the average remaining lease term for all long-term and finance leases of 35 months.

As of November 27, 2012, our total outstanding debt (including capital lease obligations and collateralized financing obligations) was approximately \$1,015.7 million. Interest expense on such debt will be approximately \$9.3 million per quarter assuming floating interest rates remain consistent with those at September 30, 2012 and including amortized closing fees and unused commitment fees.

We manage containers for container investors under management agreements that cover portfolios of containers. Our management agreements have multiple year terms and provide that we receive a management fee based upon the actual rental revenue for each container less the actual operating expenses directly attributable to that container. We also receive fees for selling used containers on behalf of container investors.

We have a global infrastructure with 16 offices in 12 countries and 239 third-party container depot facilities in 50 countries. As of September 30, 2012, we had 91 employees worldwide.

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Company Information

Our corporate headquarters and principal executive offices are located at Steuart Tower, 1 Market Plaza, Suite 900, San Francisco, CA 94105. Our telephone number is (415) 788-0100. Our U.S. branch offices are located in Charleston, South Carolina and Florham Park, New Jersey. We operate our business in 16 offices in 12 countries including the United States, and have agents in Asia, Europe, South Africa, Australia and South America. Our wholly-owned international subsidiaries are located in the United Kingdom, Japan, Malaysia, Singapore, Sweden, Germany, Bermuda and Barbados. We also own 80% of CAIJ Ltd. in Japan.

We maintain a website at www.capps.com where our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports are available without charge, as soon as reasonably practicable following the time they are filed with or furnished to the SEC. The information on or accessible through our website is not incorporated into or part of this prospectus supplement or the accompanying prospectus. You may read and copy any materials we file with the SEC at the SEC's public reference room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0300. The SEC also maintains a website that contains our reports, proxy and information statements, and other information at www.sec.gov.

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The Offering

Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
Common stock to be outstanding immediately after this offering	shares
Over-allotment option	We and certain of the selling stockholders have granted the underwriters an option to purchase up to an additional shares solely to cover over-allotments.
Offering price	per share
Use of proceeds	We expect to use the net proceeds from this offering for working capital and other general corporate purposes, which may include investments in equipment and other assets. We may also use the net proceeds, or a portion thereof, to pay down a portion of our senior secured revolving credit facility or for investments or acquisitions. You should read the discussion under the heading "Use of Proceeds" on page S-28 for more information.
New York Stock Exchange symbol	CAP
Risk factors	Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page S-8 of this prospectus supplement and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in our common stock.
Conflicts of Interest	Because certain of the underwriters are lenders under our senior secured revolving credit facility, and therefore may receive 5% of the net proceeds of this offering if we use such proceeds to repay borrowings thereunder, they may be deemed to have a conflict of interest under FINRA Rule 5121. Therefore, the offering will be made in compliance with such rule. See "Underwriting (Conflicts of Interest)" in this prospectus supplement.
The number of shares to be outstanding after this offering is based on	19,295,359 shares outstanding as of September 30, 2012, and excludes as of that date:

1,335,680 shares of our common stock subject to outstanding options as of September 30, 2012 at a weighted-average exercise price of \$13.41 per share; and

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331,230 shares of our common stock reserved for future issuance under our 2007 Equity Incentive Plan.

Except as otherwise indicated, all information in this prospectus supplement assumes no exercise by the underwriters of their option to purchase additional shares of our common stock to cover over-allotments.

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The summary financial data presented below under the heading "Consolidated Statement of Income Data" for the years ended December 31, 2011, 2010 and 2009, and the heading "Consolidated Balance Sheet Data" as of December 31, 2011, 2010 and 2009 have been derived from our audited consolidated financial statements included in our Annual Reports on Form 10-K for the years ended December 31, 2011 and 2010. The summary financial data presented below under the heading "Consolidated Statement of Income Data" for the nine months ended September 30, 2012 and 2011, and the heading "Consolidated Balance Sheet Data" as of September 30, 2012 and 2011 have been derived from our unaudited consolidated financial statements included in our Quarterly Reports on Form 10-Q for the three months ended September 30, 2012 and 2011.

Historical results are not necessarily indicative of the results of operations to be expected in future periods. You should read the selected consolidated financial data and operating data presented below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.

Consolidated Statement of Income Data

<i>(In thousands, except per share data)</i>	Nine Months Ended		Year Ended December 31,		
	September 30, 2012	2011	2011	2010	2009
Revenue					
Rental revenue	\$ 108,061	\$ 74,689	\$ 106,694	\$ 64,892	\$ 53,747
Management fee revenue	9,699	9,855	12,957	10,348	8,546
Gain on sale of container portfolios	1,256	2,345	2,345	614	753
Finance lease income	5,055	2,574	3,710	2,045	2,218
Total revenue	124,071	89,463	125,706	77,899	65,264
Operating expenses					
Depreciation of container rental equipment	34,206	22,726	33,633	20,807	17,226
Amortization of intangible assets	676	1,025	1,254	1,377	1,566
Gain on disposition of used container equipment	(8,811)	(10,151)	(13,374)	(9,112)	(3,626)
Storage, handling and other expenses	5,965	3,519	5,513	6,170	8,717
Marketing, general and administrative expense	18,610	15,436	21,009	21,218	18,848
Restructuring charges					972
Loss (gain) on foreign exchange	125	(216)	(354)	513	(215)
Total operating expenses	50,771	32,339	47,681	40,973	43,488
Operating income	73,300	57,124	78,025	36,926	21,776
Interest expense	19,435	10,803	16,139	5,278	4,311
Interest income	(8)	(6)	(12)	(109)	(10)
Net interest expense	19,427	10,797	16,127	5,169	4,301
Net income before income taxes and non-controlling interest	53,873	46,327	61,898	31,757	17,475
Income tax expense	7,003	8,436	11,084	3,555	3,919
Net income	46,870	37,891	50,814	28,202	13,556
Net (income) loss attributable to non-controlling interest	(816)	(593)	(625)	181	
Net income attributable to CAI common stockholders	\$ 46,054	\$ 37,298	\$ 50,189	\$ 28,383	\$ 13,556

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	Nine Months Ended		Year Ended December 31,		
	September 30, 2012	2011	2011	2010	2009
<i>(In thousands, except per share data)</i>					
Net income per share attributable to CAI common stockholders					
Basic	\$ 2.39	\$ 1.93	\$ 2.60	\$ 1.58	\$ 0.76
Diluted	\$ 2.33	\$ 1.89	\$ 2.55	\$ 1.56	\$ 0.76
Weighted average shares outstanding					
Basic	19,295	19,295	19,295	17,974	17,902
Diluted	19,730	19,727	19,693	18,203	17,902
Other financial data					
EBITDA (1)	\$ 107,730	\$ 80,620	\$ 112,732	\$ 59,548	\$ 40,794
Adjusted EBITDA (1)	113,956	85,067	118,812		