INTERPOOL INC
Form S-1/A
September 10, 2001

As filed with the Securities and Exchange Commission on September 10, 2001

Registration No. 333-66738

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Interpool, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**7359, 6159**	**13-3467669**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

211 College Road East
Princeton, New Jersey 08540
(609) 452-8900
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

MARTIN TUCHMAN
Chairman and Chief Executive Officer
Interpool, Inc.
211 College Road East
Princeton, New Jersey 08540
(609) 452-8900
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Stroock & Stroock & Lavan LLP	**Cleary, Gottlieb, Steen and Hamilton**
180 Maiden Lane	**One Liberty Plaza**
New York, New York 10038	**New York, New York 10006**
Attn: Jeffrey S. Lowenthal	**Attn: Allan G. Sperling**
(212) 806-5400	**(212) 225-2000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.[ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.[ ]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.[ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.[ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.[ ]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price Per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, $.001 par value	6,325,000 shares	$19.02 (2)	$120,301,500 (2)	$30,076.00 (3)

(1) Includes 825,000 shares of Common Stock issuable upon exercise of the over-allotment options to be granted to the Underwriters.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended, based on the closing price of the Common Stock on August 2, 2001 on the New York Stock Exchange.

(3) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell and it is not soliciting an offer to buy these securities in any state where an offer or sale is not permitted.

Copies to:

SUBJECT TO COMPLETION, DATED SEPTEMBER 10, 2001

P R O S P E C T U S

5,500,000 Shares

Common Stock

$ per share

We are selling 5,500,000 shares of our common stock. We have granted the underwriters an option to purchase up to 825,000 additional shares of common stock to cover over-allotments.

Our common stock is listed on the New York Stock Exchange under the symbol "IPX." The last reported sale price of our common stock on the New York Stock Exchange on September 6, 2001 was $16.35 per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 6.

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

	Per Share	Total
Public Offering Price	$	$
Underwriting Discounts	$	$
Proceeds to Interpool, before expenses	$	$

The underwriters expect to deliver the shares to purchasers on or about , 2001.

Salomon
Smith Barney

ABN AMRO Rothschild
LLC

A.G. Edwards & Sons, Inc.

U.S. Bancorp Piper Jaffray

, 2001

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted.

TABLE OF CONTENTS

i

SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including "Risk Factors" and our financial statements and related notes, before making an investment decision. Unless otherwise noted, references to "Interpool," "we," "our" and "us" refer to Interpool, Inc., a Delaware corporation, and its subsidiaries.

Interpool, Inc.

We are the largest lessor of intermodal chassis in the United States and one of the world's leading lessors of intermodal dry freight standard containers. At June 30, 2001, our chassis fleet totaled approximately 178,000 chassis and our container fleet totaled approximately 673,000 twenty-foot equivalent units. From 1996 to 2000, we increased the size of our chassis fleet at a compound annual rate of 32% and our container fleet at a compound annual rate of 21%.

We concentrate on leasing equipment to our customers on a long-term basis. Substantially all of our new equipment is initially leased for terms of five to eight years and approximately 67% of our total fleet of chassis and 83% of our total fleet of containers are currently on long-term lease. We believe our focus on long-term leasing has enabled us to:

- maintain high utilization rates of our equipment, which over the last five years averaged 98%;
- achieve more stable and predictable earnings;
- concentrate on the expansion of our asset base through the purchase and lease of new equipment to fulfill specific orders for new long-term leases; and
- operate with low overhead and staff levels.

Approximately 33% of our chassis are currently leased on a short-term basis to satisfy customers' peak or seasonal requirements, generally at higher rates than under long-term leases. For customers who require daily or weekly chassis rentals, we operate chassis pools at major domestic shipping ports and terminals. These chassis pools consist of our chassis as well as those of our customers.

Approximately 17% of our containers are currently leased on a short-term basis. Our 50%-owned affiliate, Container Applications International, Inc., markets our containers available for short-term leasing as part of its fleet, facilitating redeployment of our containers at the end of long-term leases. Our relationship with CAI maximizes utilization of our container fleet, and increases our leverage in the marketplace by giving us the world's third largest container lessor fleet on a combined basis.

In October 2000, we firmly established our position as the largest chassis lessor in the United States by acquiring the North American Intermodal Division of Transamerica Leasing, Inc. for approximately $672 million. As a result of the acquisition, we increased our chassis fleet from approximately 103,000 to 176,000 units. In March 2001, we sold 40,000 rail trailers and domestic containers we acquired in the Transamerica transaction, along with 10,000 of our existing rail trailers and domestic containers, to GE Capital for approximately $345 million. Over the last three years, our intermodal transportation equipment asset mix has shifted from 37% chassis and 63% containers in 1998 to 55% chassis and 45% containers in 2001. A significant benefit of the change in asset mix is that chassis have a longer average useful life than containers.

Interpool and its predecessors have been involved in the leasing of chassis since 1976 and containers since 1968. We lease our chassis and containers to a diversified customer base of over 400 customers, including all of the world's 20 largest international container shipping lines and major North American railroads. We lease containers to shipping lines operating in all major ports throughout the world. The chassis leasing business is almost exclusively a domestic business, and our customers include railroads, domestic shipping companies and international shipping lines doing business in the United States. We provide customer service and market to our customers through a worldwide network of offices, agents and marketing representatives. We believe one of the key factors

1

in our ability to compete effectively has been the long-standing relationships that our management and marketing representatives have established with most of the world's large shipping lines and major North American railroads. As a result of these relationships, 7 of our top 10 customers have been customers for at least 10 years.

The efficiencies and cost savings inherent in intermodal transportation of containerized cargo have facilitated the dramatic growth of international trade and domestic commerce. The domestic chassis fleet and container traffic have grown steadily through business cycles.

As a result of the financial and operational flexibility of leasing, leasing companies have played a significant role in the growth of intermodal transportation, supplying approximately half of the world's chassis and container requirements, with the balance owned predominantly by shipping lines and railroads. We have increased the size of our container fleet at a compound annual rate of approximately 26% since 1990, significantly outpacing the 9% compound annual growth rate of container traffic through the world's major ports during that period.

Our Strategy

Our objective is to continue to expand on our market position as a leading long-term lessor of intermodal transportation equipment. To achieve this objective, we intend to continue to:

- focus on our core business of domestic chassis and international marine container leasing;
- concentrate on long-term leasing to achieve high utilization rates and more stable and predictable earnings;
- be a low cost provider of intermodal equipment;
- purchase chassis and containers to fulfill specific customer orders; and
- make strategic acquisitions of complementary businesses and asset portfolios on an opportunistic and financially disciplined basis.

We are currently evaluating a possible distribution to our stockholders of our short-term chassis leasing operations and other non-core businesses. This would allow us not only to focus on executing our long-term leasing strategy, but also to provide equity ownership and incentives to the employees of the short-term leasing business that would be distributed. We have not yet made a determination whether to proceed with this distribution. For additional information, please see "Business   Proposed Restructuring" beginning on page 33 of this prospectus.

Corporate Information

Our executive offices are located at 211 College Road East, Princeton, New Jersey 08540. Our main telephone number is (609) 452-8900. We were incorporated in the State of Delaware in 1988. Our principal website is located at www.interpool.com. The information contained on that website, as well as any of our other websites, is not part of this prospectus.

2

The Offering

Common stock offered	5,500,000 shares
Common stock to be outstanding immediately after the offering	32,921,452 shares
Use of Proceeds	We intend to use the net proceeds of this offering for general corporate purposes, including: debt reduction equipment purchases possible future acquisitions
NYSE symbol	IPX

This information is based on the number of shares of common stock outstanding at June 30, 2001. It excludes 4,496,501 shares of common stock issuable upon the exercise of outstanding options (of which 4,386,501 are currently exercisable) at a weighted average exercise price of $10.30 per share. A total of 6,150,000 shares of common stock have been reserved for issuance or issued under the stock option plans (including those described in the preceding sentence).

Unless otherwise specified, the information contained in this prospectus assumes that the underwriters' over-allotment option is not exercised.

3

Summary Consolidated Historical and Pro Forma Financial and Operating Data

The following table sets forth our summary consolidated historical and pro forma financial and operating data for the periods and at the dates indicated. The historical financial data for each of the five years in the period ended December 31, 2000 are derived from and qualified by reference to the historical consolidated financial statements that have been audited and reported upon by Arthur Andersen LLP, independent public accountants. The historical financial data for the six months ended June 30, 2000 and 2001 and as of June 30, 2001 are derived from our unaudited financial statements. In our opinion, this unaudited information has been prepared on a basis consistent with the audited consolidated historical financial statements appearing elsewhere in this prospectus and includes all adjustments, consisting only of normal recurring accruals, that we consider necessary for a fair presentation of our financial position and results of operations for these periods. The pro forma income statement data gives effect to the acquisition of the North American Intermodal Division of Transamerica as if the transaction occurred on January 1, 2000. This information should be read in conjunction with our historical consolidated financial statements and the notes thereto and our unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The historical and pro forma results presented are not necessarily indicative of future results.

	Year Ended December 31,					Pro Forma Year Ended December 31,	Six Months Ended June 30,	
	1996[1][2]	1997	1998	1999[3]	2000[4]	2000	2000	2001
	(in thousands, except per share amounts)					(unaudited)	(unaudited)	
Income Statement Data:								
Revenues:	$147,148	$161,425	$182,316	$217,840	$287,055	$344,412	$127,245	$173,644
Earnings before interest and taxes	81,481	86,474	96,624	79,628	122,300	147,403	52,603	71,054
Income before change in accounting principle and extraordinary item	34,196	33,091	37,614	21,871	42,956	48,521	19,420	22,425
Net income	$34,196	$27,663	$37,614	$22,611	$44,456	$50,021	$20,920	$23,515
Income per share before change in accounting principle and extraordinary item:								
Basic	$1.24	$1.17	$1.36	$0.79	$1.57	$1.77	$0.71	$0.82
Diluted	1.16	1.13	1.31	0.77	1.54	1.74	0.71	0.78
Net income per share:								
Basic	1.24	0.73	1.36	0.82	1.62	1.82	0.76	0.86
Diluted	1.16	0.71	1.31	0.80	1.60	1.80	0.76	0.82
Weighted average shares outstanding:								
Basic	25,953	27,552	27,561	27,571	27,421	27,421	27,421	27,421
Diluted	31,438	29,370	28,615	28,234	27,834	27,834	27,421	28,936
Cash dividends declared per common share:	$0.13	$0.15	$0.15	$0.15	$0.15	$0.15	$0.075	$0.075

	As of June 30, 2001	
	Actual	As Adjusted[5]
	(in thousands) (unaudited)	
Balance Sheet Data:		
Cash, short-term investments and marketable securities	$45,888	$45,888
Total assets	1,775,990	1,775,990
Debt and capital lease obligations	1,247,203	1,163,203
Stockholders' equity	352,074	436,074

	As of December 31,					As of June 30,
	1996	1997	1998	1999	2000	2001
Fleet Data:						
Chassis:						
Chassis units	57,000	63,000	76,000	90,000	175,000	178,000
Utilization rate	94%	96%	96%	95%	97%	94%
Containers:						
Containers (TEUs)	301,000	426,000	500,000	575,000	650,000	673,000
Utilization rate	98%	98%	99%	99%	99%	98%

(1) The 1996 income statement data includes non-recurring expense items totaling $3.9 million.

(2) Restated to give effect to a three-for-two stock split effective March 27, 1997. In 1997, we adopted Statement of Financial Accounting Standards No. 128.

(3) 1999 results included costs of $6.8 million after tax associated with the write-down of certain container equipment with manufacturer's defects subject to a warranty claim for which the expense was not recoverable due to the bankruptcy of the manufacturer. Additionally, 1999 results included $13.5 million less revenue and approximately $8 million less after tax income than 1998 in the finance lease business primarily due to our decision to de-emphasize this business and sell assets to a securitization vehicle.

(4) The 2000 results included contributions from the Transamerica assets, which we acquired on October 24, 2000. The acquisition was effective October 1, 2000. The 2000 results included only the chassis acquired from Transamerica, as the acquired rail trailers and domestic containers were identified as assets held for sale at the time of purchase.

(5) Reflects the receipt and application of the estimated net proceeds from the sale of common stock in this offering, assuming a public offering price of $16.35 per share (the closing price on September 6, 2001).

RISK FACTORS

You should carefully consider the risks described below before buying shares in this offering. Investing in our common stock involves a high degree of risk. Any of the following risks could materially adversely affect our business, financial condition or results of operations. In that case, the trading price of our common stock could decline, and you could lose some or all of your investment.

Risks Relating to Our Business and Operations

We are subject to the cyclicality of world trade which may impair demand for our chassis and containers.

The demand for our chassis and containers primarily depends upon levels of world trade of finished goods and component parts. Recessionary business cycles, political conditions, the status of trade agreements and international conflicts may have an impact on our operating results. The demand for leased chassis also depends upon domestic economic conditions and volumes of exports to the United States which are likely to be adversely affected if the value of the United States dollar declines. When the volume of world trade decreases, our business of leasing chassis and containers may be adversely affected as the demand for chassis and containers is reduced. A substantial decline in world trade may also adversely affect our customers, leading to possible defaults and the return of equipment prior to the end of a lease term.

We operate in a highly competitive industry, which may adversely affect our results of operations or ability to expand our business.

The transportation equipment leasing industry is highly competitive. We compete with numerous domestic and foreign leasing companies, some of which have greater financial resources and access to capital than we do. Some of our competitors have large underutilized inventories of chassis and containers, which could lead to significant downward pressure on pricing and margins. In addition, if the available supply of intermodal transportation equipment were to increase significantly as a result of, among other factors, new companies entering the business of leasing and selling intermodal transportation equipment, our competitive position could be adversely affected.

Potential customers may decide to buy rather than lease chassis and containers.

We, like other suppliers of leased chassis and containers, are dependent upon decisions by shipping lines and other transportation companies to lease rather than buy their equipment. In addition, our ability to achieve our strategy of expanding our business in response to customer demand for long term leasing would be adversely affected if our customers shifted to more short-term leasing over long-term leasing. Most of the factors affecting the decisions of our customers are outside our control. Operating costs such as storage and repair and maintenance costs also increase as utilization decreases.

Sustained Asian economic instability could reduce demand for leasing.

A number of the shipping lines to which we lease containers are entities domiciled in several Asian countries. In addition, many of our customers are substantially dependent upon shipments of goods exported from Asia. From time to time there have been economic disruptions, financial turmoil and political instability in this region. If these events were to occur in the future, they could adversely affect these customers and lead to a reduced demand for leasing of our containers or otherwise adversely affect us.

Defaults by our customers could adversely affect our business by decreasing revenues and increasing storage, collection and recovery expenses.

We are dependent upon our lessees continuing to make lease payments for our equipment. A default by a lessee may cause us to lose revenues for past services and incur expenses for storage, collection and recovery. Repossession from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the United States and in jurisdictions where recovery of equipment from the defaulting lessors is more cumbersome.

If a long-term lessee defaults, we may be unable to release recovered equipment for comparable rates or terms. Our reserves for anticipated losses may increase over historical levels or not be sufficient to cover actual losses, or our earnings may be adversely affected by customer defaults.

We rely on insurance coverage to reduce our exposure to credit risk; failure to maintain such coverage could adversely affect our business.

We maintain insurance coverage against defaults and equipment losses in order to reduce our credit risk. Our current insurance policy covers:

- the cost of recovering our equipment from the customer, including repositioning costs;
- the costs of repairing the equipment;
- the value of equipment which is lost or uneconomical to recover; and
- a portion of the lease revenues we may lose as a result of a customer's default.

If such insurance coverage becomes unavailable, it could adversely affect our business by increasing our costs in the event a customer defaults or if equipment is lost or damaged. Our current insurance coverage expires in December 2001. Upon renewal, we expect to pay higher premiums and may increase our deductible to reduce the expected increase in cost of the insurance.

Changes in market price, availability or transportation costs of containers in China could adversely affect our ability to maintain our supply of containers.

China is currently the largest container producing nation in the world and we currently purchase substantially all of our containers from manufacturers in China. In the event that it were to become more expensive for us to procure containers in China or to transport these containers at a low cost from China to the locations where they are needed by customers, either because of increased tariffs imposed by the United States or other governments or for any other reason, we would have to seek alternative sources of supply. We may not be able to make alternative arrangements quickly enough to meet our equipment needs, and the alternative arrangements may increase our costs.

We are controlled by a limited number of stockholders, and there may be conflicts of interest between these stockholders and our public stockholders.

Following this offering, approximately 61.3% of our common stock will be beneficially owned, directly or indirectly, in the aggregate by Warren L. Serenbetz, Martin Tuchman, Raoul J. Witteveen and Arthur L. Burns, each of whom is our director and/or either an executive officer or consultant, and certain members of their immediate families. These individuals, either directly or indirectly, have the ability to elect all of the members of our Board of Directors and to control the outcome of all matters submitted to a vote of our stockholders. Messrs. Serenbetz, Tuchman, Witteveen and Burns, as well as certain family members and affiliated entities, are parties to a Stockholders' Agreement that imposes restrictions on their ability to dispose of their shares of our common stock and requires them to vote for the re-election of Messrs. Serenbetz, Tuchman, Witteveen and Burns as our directors. Our concentrated ownership may discourage acquisition bids for us. This could limit the price that certain investors might be willing to pay in the future for shares of our common stock.

Additionally, various relationships exist and various transactions have been entered into between or among us, on the one hand, and members of our management and affiliated entities, on the other hand. Some of these relationships and transactions may involve inherent conflicts of interest, and there can be no assurance that these relationships and transactions will not adversely affect us.

We are dependent on certain key members of management; loss of those key members could adversely affect our business and prospects.

Our growth and continued profitability are dependent upon, among other factors, the abilities, experience and continued service of certain members of our senior management, particularly Martin

Tuchman, our Chairman and Chief Executive Officer, and Raoul J. Witteveen, our President and Chief Operating Officer. Each of Messrs. Tuchman and Witteveen holds, either directly or indirectly, a substantial equity interest in Interpool and also is a director of Interpool. Although we have long-term employment contracts with both of them, if either of Messrs. Tuchman or Witteveen were to retire or otherwise be unavailable to serve us, the loss could adversely affect our business and prospects. In addition, we do not have employment agreements with several of our other executive officers.

The volatility of the residual value of chassis and containers upon expiration of their leases could adversely affect our operating results.

Although our operating results primarily depend upon equipment leasing, our profitability is also affected by the residual values (either for sale or continued operation) of our chassis and containers upon expiration of their leases. These values, which can vary substantially, depend upon, among other factors:

- the maintenance standards observed by lessees;
- the need for refurbishment;
- our ability to remarket equipment;
- the cost of comparable new equipment;
- the availability of used equipment;
- rates of inflation;
- market conditions;
- the costs of materials and labor; and
- the obsolescence of the equipment.

Most of these factors are outside of our control. Operating leases, which represent the predominant form of lease in our portfolio, are subject to greater residual risk than direct finance leases.

Loss of our eligibility for tax benefits under the U.S.-Barbados tax treaty could increase our tax liability.

We currently receive tax benefits under an income tax convention between the United States and Barbados, the jurisdiction in which our subsidiary Interpool Limited, which operates our container business, is incorporated. Specifically, under that income tax convention, any profits of Interpool Limited from leasing of containers used in international trade generally are taxable only in Barbados and not in the United States. At some future date the tax convention could be modified in a manner adverse to us or repealed in its entirety, or we might not continue to be eligible for these tax benefits.

We may need additional capital in the future and adequate financing may not be available to us on acceptable terms, or at all.

Our business is highly dependent upon the availability of capital. In particular, the growth of our fleet through new equipment purchases or acquisitions, as well as the refinancing of our existing debt, will require further debt or equity financings. Additional financing might not be available to us on acceptable terms, or at all. We may not have sufficient unencumbered assets to pledge as security for new indebtedness. If we raise additional funds by issuing equity securities, further dilution to the existing stockholders may result.

Risks Relating to Our Offering

The price of our common stock could continue to fluctuate.

The market price for our common stock has fluctuated in the past, and several factors could cause the price to fluctuate substantially in the future. These factors include:

- announcements of developments related to our business;
- fluctuations in our quarterly results of operations;

- sales of substantial amounts of our shares into the marketplace;
- general conditions in our industry or the worldwide economy;
- a shortfall in revenues or earnings compared to securities analysts' expectations;
- changes in analysts' recommendations or projections;
- announcements of new acquisitions; and
- an outbreak of war or hostilities.

The current market price of our common stock may not be indicative of future market prices.

If our stockholders sell substantial amounts of our common stock after this offering, the market price of our common stock may fall.

Sales of a substantial number of shares of our common stock in the public market by our stockholders, or the perception that these sales may occur, could adversely affect the price of our common stock. Upon the closing of this offering, we will have outstanding an aggregate of 32,921,452 shares of common stock, of which:

- 14,298,261 shares will be freely tradeable after closing of the offering, except to the extent purchased by our affiliates.
- 18,623,191 shares are held by our "affiliates" and other holders of our restricted securities within the meaning of Rule 144 under the Securities Act and may only be sold in compliance with Rule 144 and the terms of 90-day lock-up agreements being entered into in connection with this offering; and
- no shares are covered by registration rights agreements.

Our charter documents and Delaware law may inhibit a takeover and limit our growth opportunities, which could cause the market price of our shares to decline.

Our Restated Certificate of Incorporation and Amended and Restated By-laws, as well as Delaware corporate law, contain provisions that could delay or prevent a change of control or changes in our management that a stockholder might consider favorable. These provisions apply even if the offer may be considered beneficial by some stockholders. If a change of control or change in management is delayed or prevented, the market price of our shares could decline. In addition, our Restated Certificate of Incorporation and Amended and Restated By-laws contain provisions that may discourage acquisition bids for Interpool.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain "forward-looking statements" within the meaning of the securities laws. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control. All statements other than statements of historical facts included or incorporated by reference in this prospectus, including the statements under "Summary," "Risk Factors," "Management Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus regarding our strategy, future operations, financial position, estimated revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words "will," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. All forward-looking statements speak only as of the date of this prospectus. We do not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this prospectus are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. The cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

9

USE OF PROCEEDS

The net proceeds from the sale of 5,500,000 shares of common stock in this offering will be approximately $84 million (approximately $97 million if the underwriters' over-allotment option is exercised in full), assuming a public offering price of $16.35 per share of common stock (the closing price on September 6, 2001) and after deducting underwriting discounts and our estimated offering expenses. The net proceeds of the offering will be used for general corporate purposes, including reduction of our revolving credit facility. This facility allows us to borrow funds secured by collateral at interest rates determined from time to time based on our leverage ratio. We are currently borrowing on a one-month LIBOR basis at an interest rate of 4.825%. The revolving credit facility has a term which ends July 31, 2005.

PRICE RANGE OF COMMON STOCK

Our common stock is traded on the New York Stock Exchange under the symbol "IPX." The following table sets forth for the periods indicated, the high and low last reported sale prices for the common stock on the New York Stock Exchange. All share and per share data have been rounded to the nearest cent.

	Common Stock Price	
	High	Low

	Common Stock Price	
Year ended December 31, 1998		
First Quarter	$15.50	$13.25
Second Quarter	16.19	14.38
Third Quarter	18.94	9.88
Fourth Quarter	17.13	10.00
Year ended December 31, 1999		
First Quarter	16.75	12.44
Second Quarter	15.25	10.50
Third Quarter	13.50	7.50
Fourth Quarter	9.13	6.88
Year ended December 31, 2000		
First Quarter	8.00	5.25
Second Quarter	9.75	5.31
Third Quarter	13.63	8.31
Fourth Quarter	17.63	11.56
Year ended December 31, 2001		
First Quarter	18.44	12.56
Second Quarter	17.00	13.55
Third Quarter (through September 6, 2001)	19.45	14.91

As of August 1, 2001, there were approximately 1,100 record holders of our common stock. On September 6, 2001, the last reported sale price of Interpool common stock on the New York Stock Exchange was $16.35 per share.

10

DIVIDEND POLICY

We paid a quarterly dividend in the amount of $0.05 per share on our common stock in July 2001. The Board of Directors' present intention is to continue to pay dividends at this level. Prior to July 1, 2001, we had paid a quarterly dividend of $0.0375 per share on our common stock for the prior 17 quarters.

The Board of Directors has authorized a dividend reinvestment plan, which is expected to be in effect by the end of 2001. The plan will be non-dilutive; shares required for the plan will be acquired on the open market by an independent third party plan administrator and not through the issuance of additional shares by us.

CAPITALIZATION

The following table sets forth our short-term debt and capitalization as of June 30, 2001. Our short-term debt and capitalization is presented:

- on an actual basis; and

- on an as adjusted basis to reflect the receipt and application of the estimated net proceeds from the sale of common stock in this offering, assuming a public offering price of $16.35 per share (the closing price on September 6, 2001).

You should read the information in this table together with our consolidated financial statements and the related notes and with "Selected Consolidated Historical Financial and Operating Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	As of June 30, 2001	
	Actual	As Adjusted
	(in thousands)	
Short-term debt obligations (including current portion of long-term debt and capital lease obligations)	$92,238	$92,238
Long-term debt and capital obligations (less current portion)	$1,154,965	$1,070,965
Minority interest in equity of subsidiaries	1,495	1,495
Stockholders' equity:		
Preferred stock, par value $.001 per share, 1,000,000 authorized, none issued		
Common stock, par value $.001 per share, 100,000,000 shares authorized, 27,579,952 shares issued, actual, and 33,079,952 shares issued, as adjusted	28	33
Additional paid-in capital	124,184	208,179
Treasury stock, at cost, 158,500 shares	(1,170)	(1,170)
Retained earnings	239,414	239,414
Accumulated other comprehensive income (loss), net of taxes	(10,382)	(10,382)
Total stockholders' equity	352,074	436,074
Total capitalization	$1,508,534	$1,508,534

11

SELECTED CONSOLIDATED HISTORICAL FINANCIAL AND OPERATING DATA

The following table sets forth our selected consolidated historical financial and operating data for the periods and at the dates indicated. The historical financial data for each of the five years in the period ended December 31, 2000, and at December 31, 1996, 1997, 1998, 1999 and 2000, are derived from and qualified by reference to the historical consolidated financial statements that have been audited and reported upon by Arthur Andersen LLP, independent public accountants. The historical financial data for the six months ended June 30, 2000 and 2001 are derived from our unaudited financial statements. In our opinion, this unaudited information has been prepared on a basis consistent with the audited consolidated historical financial data appearing elsewhere in this prospectus and includes all adjustments, consisting only of normal recurring accruals, that we consider necessary for a fair presentation of our financial position and results of operations for these periods. This information should be read in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and the notes thereto and the unaudited pro forma consolidated statement of income for the year ended December 31, 2000 presented on page F-51. The historical results presented are not necessarily indicative of future results.

	Year Ended December 31,					Six Months Ended June 30,	
	1996[1][2]	1997	1998	1999[3]	2000[4]	2000	2001
	(in thousands, except per share amounts)					(unaudited)	
Income Statement Data:							
Revenues:	$147,148	$161,425	$182,316	$217,840	$287,055	$127,245	$173,644
Costs and expenses:							
Lease operating expenses	17,235	23,287	25,071	37,112	54,255	22,877	39,349
Administrative expenses	12,370	14,573	17,826	29,050	35,958	17,620	19,452
Provision for doubtful accounts	1,126	1,972	2,142	7,686	3,417	1,720	3,740
Market value adjustment for derivative instruments							835
Depreciation and amortization of leasing equipment	31,976	35,611	42,651	61,736	68,406	31,714	40,587
Other (income) expense, net	(932)	(492)	(1,998)	2,628	2,719	711	(1,373)
Interest expense	42,784	54,131	64,271	66,406	87,230	37,059	49,356
Interest income	(3,299)	(5,248)	(11,061)	(12,049)	(16,511)	(7,776)	(5,252)
Non-recurring charges	3,892						
Income before provision for income taxes and extraordinary items	41,996	37,591	43,414	25,271	51,581	23,320	26,950
Provision for income taxes	7,800	4,500	5,800	3,400	8,625	3,900	4,525
Income before change in accounting principle and extraordinary item	34,196	33,091	37,614	21,871	42,956	19,420	22,425
Cumulative effect of change in accounting principle, net of applicable taxes of $440, $449 and $449					660	660	833
Extraordinary gain (loss) on debt retirement, net of applicable taxes of ($1,825), $494, $560, $560 and $172		(5,428)		740	840	840	257
Net income	$34,196	$27,663	$37,614	$22,611	$44,456	$20,920	$23,515
Income per share before change in accounting principle and extraordinary item:							
Basic	$1.24	$1.17	$1.36	$0.79	$1.57	$0.71	$0.82
Diluted	1.16	1.13	1.31	0.77	1.54	0.71	0.78
Net income per share:							
Basic	1.24	0.73	1.36	0.82	1.62	0.76	0.86
Diluted	1.16	0.71	1.31	0.80	1.60	0.76	0.82
Weighted average shares outstanding:							
Basic	25,953	27,552	27,561	27,571	27,421	27,421	27,421

	Year Ended December 31,					Six Months Ended June 30,	
Diluted	31,438	29,370	28,615	28,234	27,834	27,421	28,936
Cash dividends declared per common share:	$0.13	$0.15	$0.15	$0.15	$0.15	$0.075	$0.075

	As of December 31,					As of June 30, 2001
	1996	1997	1998	1999	2000	
	(in thousands)					(unaudited)
Balance Sheet Data:						
Cash, short-term investments and marketable securities	$70,055	$42,976	$112,298	$207,626	$156,291	$45,888
Total assets	939,418	1,114,456	1,362,234	1,443,259	2,194,831	1,775,990
Debt and capital lease obligations	602,704	744,227	932,157	998,228	1,618,036	1,247,203
Stockholders' equity	280,546	250,446	283,215	301,367	342,231	352,074

	As of December 31,					As of June 30, 2001
	1996	1997	1998	1999	2000	
Fleet Data:						
Chassis:						
Chassis units	57,000	63,000	76,000	90,000	175,000	178,000
Utilization rate	94%	96%	96%	95%	97%	94%
Containers:						
Containers (TEUs)	301,000	426,000	500,000	575,000	650,000	673,000
Utilization rate	98%	98%	99%	99%	99%	98%

(1) The 1996 income statement data includes non-recurring expense items totaling $3.9 million.

(2) Restated to give effect to a three-for-two stock split effective March 27, 1997. In 1997, we adopted Statement of Financial Accounting Standards No. 128.

(3) 1999 results included costs of $6.8 million after tax associated with the write-down of certain container equipment with manufacturer's defects subject to a warranty claim for which the expense was not recoverable due to the bankruptcy of the manufacturer. Additionally, 1999 results included $13.5 million less revenue and approximately $8.0 million less after tax income than 1998 in the finance lease business primarily due to our decision to de-emphasize this business and sell assets to a securitization vehicle.

(4) The 2000 results included contributions from the Transamerica assets, which we acquired on October 24, 2000. The acquisition was effective October 1, 2000. The 2000 results include only the chassis acquired from Transamerica as the acquired rail trailers and domestic containers were identified as assets held for sale at the time of purchase.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with "Risk Factors," "Selected Consolidated Historical Financial and Operating Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

General

We generate revenues through leasing transportation equipment, primarily intermodal chassis and dry freight standard containers. Most of our revenues are derived from payments under operating leases and income earned under finance leases, under which the lessee has the right to purchase the equipment at the end of the lease term.

Revenue derived from an operating lease generally consists of the total lease payment from the customer. In 1998, 1999 and 2000, revenues derived from operating leases were $148.0 million (81% of revenues), $189.2 million (90% of revenues) and $266.0 million (93% of revenues), respectively.

Revenue derived from a direct finance lease consists only of income recognized over the term of the lease using the effective interest method. The principal component of the direct finance lease payment is reflected as a reduction to the net investment in the direct finance lease. In 1998, 1999 and 2000, total payments from direct finance leases were $128.1 million, $86.7 million and $88.9 million, respectively. In 1998, 1999 and 2000, the revenue component of total lease payments totaled $34.3 million (19% of revenues), $20.7 million (10% of revenues) and $21.1 million (7% of revenues). The decrease in the revenue component of total lease payments during 1999 was a result of the reduction in finance lease revenues of $14.2 million as a result of the securitized lease receivables.

Our mix of operating and direct finance leases is a function of customer preference and demand and our success in meeting those customer requirements. During the initial two years of either an operating lease or a direct finance lease, the contribution to our earnings before interest and taxes is very similar. In subsequent periods, however, the operating lease will generally be more profitable than a direct finance lease, primarily due to the return of principal inherent in a direct finance lease. However, after the long-term portion (and any renewal) of an operating lease expires, the operating lease will have redeployment costs and related risks which are avoided under a direct finance lease.

We conduct business with shipping line customers throughout the world and are thus subject to the risks of operating in disparate political and economic conditions. Offsetting this risk is the worldwide nature of the shipping business and the ability of our shipping line customers to shift their operations from areas of unfavorable political and/or economic conditions to more promising areas. Substantially all of our revenues are billed and paid in U.S. dollars. In addition, our container purchases are paid for in U.S. dollars. We believe these factors substantially mitigate foreign currency rate risks.

Our container leasing operations are conducted through our subsidiary, Interpool Limited, a Barbados corporation. Our effective tax rate benefits substantially from the application of an income tax convention, pursuant to which the profits of Interpool Limited from container leasing operations are exempt from federal taxation in the United States. These profits are subject to Barbados tax at rates which are significantly lower than the applicable rates in the United States. See "   United States Federal Income Tax." Our chassis leasing operations are conducted primarily through Trac Lease and Interpool. The short-term portion of our container leasing operations is conducted through our 50%-owned affiliate, CAI. A portion of our other United States equipment leasing activities are conducted through Interpool itself.

We own a 51% interest in Personal Computer Rental, a nationwide lessor of computers and related equipment which we purchased in May 1999. Our computer leasing segment is comprised of Personal Computer Rental and Microtech. Revenues from the computer leasing segment in 1998, 1999 and 2000 were $8.1 million, $28.1 million and $44.8 million, respectively. Income before taxes from in 1998, 1999 and 2000 was $0.7 million, $2.0 million and $2.4 million, respectively.

Results of Operations

Six Months Ended June 30, 2001 Compared to Six Months Ended June 30, 2000

Revenue. Our revenues increased to $173.6 million for the six months ended June 30, 2001, from $127.2 million in the six months ended June 30, 2000, an increase of $46.4 million or 36%. The increase was primarily due to our October 2000 acquisition of the North American Intermodal Division of Transamerica Leasing Inc. which resulted in $39.2 million of additional leasing revenues, increased operating lease revenues of $8.7 million primarily generated by an expanded container and chassis fleet and increased finance lease revenues of $1.4 million, partially offset by reduced revenues of $2.9 million generated by the computer leasing segment. Utilization rates of the chassis and container operating lease fleet at June 30, 2001 were 94% and 98%, respectively, and at June 30, 2000 were 97% and 99%, respectively.

Lease Operating, Administrative Expenses and Provision for Doubtful Accounts. Our lease operating, administrative expenses and provision for doubtful accounts increased to $62.5 million for the six months ended June 30, 2001 from $42.2 million in the six months ended June 30, 2000, an increase of $20.3 million or 48%. The increase was primarily due to our October 2000 acquisition of assets from Transamerica which resulted in $13.7 million of additional lease operating and administrative expenses, as well as higher operating and administrative expenses resulting from expanded operations generating increased equipment rental of $6.4 million, commissions of $0.3 million, maintenance and repairs of $0.7 million and salary expense of $0.8 million, partially offset by reduced consulting of $0.8 million and legal expenses of $0.6 million. Our provision for doubtful accounts increased to $3.7 million for the six months ended June 30, 2001 from $1.7 million for the six months ended June 30, 2000, an increase of $2.0 million or 118%. The increase was primarily due to $1.7 million of additional bad debt reserves provided by Microtech Leasing Corporation (a subsidiary within the computer leasing segment) due to its concentration within the technology industry, as well as $0.3 million of additional bad debt reserves as a result of the October 2000 acquisition of assets from Transamerica.

Depreciation and Amortization of Leasing Equipment. Our depreciation and amortization expenses increased to $40.6 million for the six months ended June 30, 2001 from $31.7 million for the six months ended June 30, 2000, an increase of $8.9 million or 28%. The increase was primarily a result of the October 2000 acquisition of assets from Transamerica, partially offset by reduced depreciation expense of $1.3 million as a result of the sale of the rail trailers and domestic containers to GE Capital in March 2001.

Other (Income)/Expense, Net. The change in other (income)/expense, net of