

TEXTAINER GROUP HOLDINGS LTD
 Form 424B4
 October 11, 2007
Table of Contents

Filed Pursuant to Rule 424(b)(4)
 File No. 333-146304

PROSPECTUS

9,000,000 Shares

Textainer Group Holdings Limited
Common Shares

We are selling 9,000,000 common shares.

The underwriters have an option to purchase a maximum of 1,350,000 additional common shares to cover over-allotments of shares. The underwriters are entitled to exercise this right at any time within 30 days from the date of this prospectus.

Prior to this offering there has been no public market for our common shares. The initial public offering price is \$16.50 per share. Our application to have the common shares listed on the New York Stock Exchange under the symbol TGH has been approved.

Investing in our common shares involves a high degree of risk. See Risk Factors on page 11.

Our principal shareholder, Halco Holdings Inc. (Halco), which is owned by a trust in which Trencor Limited and certain of its affiliates are the sole discretionary beneficiaries, has indicated to the underwriters its interest in acquiring \$2,100,000 common shares in this offering at the initial offering price. These shares will not be purchased unless the offering to the public is consummated. Halco is not under any obligation to purchase any shares in this offering and its interest in purchasing shares in this offering is not a commitment to do so. These shares, if purchased, will be subject to the 180 day lock-up agreement that Halco signed with the representatives of the underwriters in connection with this offering. The underwriters are not entitled to any discount or commission on these shares.

	Price to	Underwriting	Proceeds to
	Public	Discounts and Commissions	Textainer (before Expenses)
Per Share to Public	\$16.50	\$1.1055	\$15.3945
Per Share to Halco	\$16.50	\$0.00	\$16.50
Total	\$148,500,000	\$7,627,950	\$140,872,050

Delivery of the common shares will be made on or about October 15, 2007.

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.

Credit Suisse
Jefferies & Company

Wachovia Securities
Piper Jaffray
Fortis Securities LLC

The date of this prospectus is October 9, 2007.

Table of Contents

TABLE OF CONTENTS

	Page
<u>PROSPECTUS SUMMARY</u>	1
<u>RISK FACTORS</u>	13
<u>INFORMATION REGARDING FORWARD-LOOKING STATEMENTS; CAUTIONARY LANGUAGE</u>	35
<u>USE OF PROCEEDS</u>	37
<u>DIVIDEND POLICY</u>	38
<u>CAPITALIZATION</u>	39
<u>DILUTION</u>	40
<u>SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA</u>	41
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	44
<u>BUSINESS</u>	65
<u>DESCRIPTION OF INDEBTEDNESS</u>	85
	Page
<u>MANAGEMENT</u>	89
<u>RELATED PARTY TRANSACTIONS</u>	98
<u>PRINCIPAL SHAREHOLDERS</u>	101
<u>DESCRIPTION OF SHARE CAPITAL</u>	103
<u>SHARES ELIGIBLE FOR FUTURE SALE</u>	110
<u>MATERIAL UNITED STATES AND BERMUDA INCOME TAX CONSEQUENCES</u>	113
<u>ENFORCEABILITY OF CIVIL LIABILITIES</u>	122
<u>UNDERWRITING</u>	123
<u>NOTICE TO CANADIAN RESIDENTS</u>	127
<u>LEGAL MATTERS</u>	128
<u>EXPERTS</u>	128
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	128
<u>INDEX TO FINANCIAL STATEMENTS</u>	F-1

Until November 3, 2007 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Table of Contents

PROSPECTUS SUMMARY

You should carefully read this entire prospectus and consider, among other things, the matters set forth under Risk Factors before deciding to invest in our common shares. In this prospectus, unless indicated otherwise, references to: (1) Textainer, TGH, the company, we, us and our refer to Textainer Group Holdings Limited, a Bermuda company that is the issuer of the common shares in this offering and its subsidiaries; (2) TEU refers to a Twenty-Foot Equivalent Unit, which is a unit of measurement used in the container shipping industry to compare shipping containers of various lengths to a standard 20 dry freight container, thus a 20 container is one TEU and a 40 container is two TEU; (3) CEU refers to a Cost Equivalent Unit, which is a unit of measurement based on the approximate cost of a container relative to the cost of a standard 20 dry freight container, so the cost of a standard 20 dry freight container is one CEU; the cost of a 40 dry freight container is 1.6 CEU; and the cost of a 40 high cube dry freight container (9 6 high) is 1.68 CEU; (4) our owned fleet means the containers we own; (5) our managed fleet means the containers we manage that are owned by other container investors; (6) our fleet and our total fleet mean our owned fleet plus our managed fleet plus any containers we lease from other lessors; (7) container investors means the owners of the containers in our managed fleet; (8) Drewry refers to Drewry Shipping Consultants Limited; (9) Clarkson refers to Clarkson Research Services Limited; and (10) Trencor refers to Trencor Ltd., a public South African container and logistics company listed on the JSE Limited in Johannesburg, South Africa, which, together with certain of its subsidiaries, are the discretionary beneficiaries of a trust that indirectly owns a majority of our common shares (such interest, beneficiary interest). See Business History and Corporate Structure for an explanation of the relationship between us and Trencor.

Our Company

Operating since 1979, we are the world's largest lessor of intermodal containers based on fleet size (*Containerisation International Market Analysis: Container Leasing Market 2007*), with a total fleet of more than 1.3 million containers, representing over 2,000,000 TEU. We lease containers to more than 300 shipping lines and other lessees, including each of the world's top 20 container lines, as measured by the total TEU capacity of their container vessels (container vessel fleet size). We believe we are one of the most reliable lessors of containers, in terms of consistently being able to supply containers in locations where our customers need them. We have provided an average of more than 90,000 TEU of new containers per year for the past 12 years, and have been one of the largest purchasers of new containers among container lessors over the same period. We believe we are also one of the two largest sellers of used containers among container lessors, having sold an average of more than 45,600 containers per year for the last five years. We provide our services worldwide via a network of 14 regional and area offices and over 300 independent depots in more than 130 locations. Trencor, a company publicly traded on the JSE Limited (the JSE) in Johannesburg, South Africa, and its affiliates currently have beneficiary interest in a majority of our issued and outstanding common shares and will continue to have a majority interest after giving effect to this offering.

We operate our business in four core segments: Container Ownership (representing 52% of our fleet as of June 30, 2007), Container Management (representing the remaining 48% of our fleet as of June 30, 2007), Container Resale (of our owned and managed containers and as a trader) and Military Management (we have contracted to be the main supplier of containers to the U.S. military).

We principally lease dry freight containers, which are by far the most common of the three principal types of intermodal containers. Dry freight intermodal containers are large, standardized steel boxes used to transport cargo by multiple modes of transportation, including ships, trains and trucks. Compared to traditional shipping methods, intermodal containers typically provide users with faster loading and unloading as well as some protection from weather and potential theft, thereby reducing both transportation costs and time to market for our lessees' customers.

Table of Contents

We primarily lease containers under four different types of leases. Term leases, which provide a customer with a specified number of containers for a specified period of time, typically ranging from three to five years, with an associated set of pick-up and drop-off conditions, represented 62.1% of our on hire fleet as of June 30, 2007. Master leases, which provide a framework of terms and conditions valid for a specified period of time, typically one year, give customers greater flexibility than is typical in term leases and represented 29.9% of our on hire fleet as of June 30, 2007. Spot leases, which provide the customers with containers for a relatively short lease period and fixed pick-up and drop-off locations, represented 5.4% of our on hire fleet as of June 30, 2007. Finance leases, which provide customers an alternative means for purchasing containers, represented 2.6% of our on hire fleet as of June 30, 2007.

For 2006, we generated revenues, income from operations and income before taxes of \$226.5 million, \$108.4 million and \$60.6 million, respectively. For 2006, the proportion of our income before taxes generated from Container Ownership, Container Management, Container Resale and Military Management operating segments was 70.3%, 18.9%, 8.9% and 1.9%, respectively, before taking into consideration inter-segment eliminations. As of June 30, 2007, the utilization of our fleet was 93.6%. The average remaining lease term for our term leases as of June 30, 2007, was 2.1 years.

Industry Overview

In 2006, the container shipping industry celebrated the 50th anniversary of the first standardized container voyage by sea. According to preliminary data published by Drewry, the annual gross revenues of container shipping lines had grown to \$187.7 billion in 2006. Also according to Drewry, the volume of the industry, as measured by loaded container liftings, grew at a compound annual growth rate (CAGR) of 9.8% from 1980 to 2005 and is forecasted to grow by approximately 9.0% annually through 2011 and container trade is projected to grow by 9.8% in 2007 and 9.2% in 2008. In addition, as of April 2007, the new containership orderbook reached a level of 1,255 vessels, or 4.64 million TEU, representing 48% of the then existing worldwide container ship capacity, according to Clarkson. We believe this increased vessel capacity should continue to drive the demand for intermodal containers. We believe that the projected growth in the container shipping industry is due to several factors, including:

the movement in global manufacturing capacity toward lower labor cost areas such as the People s Republic of China (the PRC) and India;

the continued integration of developing high growth economies into global trade patterns;

the general trend away from bulk shipping and migration to the use of containers; and

the gradual liberalization and integration of world trade.

According to *Containerisation International, World Container Census 2007*, container lessors owned approximately 42.5% of the total worldwide container fleet of 22.2 million TEU as of mid-2006, with the balance owned by the shipping lines. The percentage of containers utilized by shipping lines and leased from container lessors ranged from 43% to 54% from 1980 through 2006 and is projected to stay in the 42% to 43% range from 2007 to 2015. Most shipping lines lease a portion of their container fleets, which enables them to serve their customers better by:

increasing flexibility to manage the availability and location of containers;

increasing the shipper s ability to meet peak demand requirements, particularly prior to holidays such as Christmas and Chinese New Year; and

reducing their capital expenditures.

Table of Contents

Our Strengths

We believe that we have the following competitive strengths:

Largest Container Lessor, with Global Scale and Infrastructure Overseen by Experienced Management. We have a long history in our business and are currently the world's largest container lessor, with a truly global platform and proprietary information technology systems that help us serve our shipping line customers effectively by generally providing containers where they need them, when they need them. Our management team on average has 21 years' experience in the container leasing industry.

Lease Term and Type Flexibility, Global Presence and Logistical and Resale Expertise. Our lease type and terms, international coverage, organization and resources enable us to handle a variety of types of leases effectively and position us to generally optimize residual values when selling containers, thereby helping us optimize value over the entirety of a container's useful economic life in marine service. We structure our initial long-term leases of new containers in an effort to minimize the number of containers that can be returned in lower demand locations. We re-lease off-lease containers into a wide variety of master and special leases with other customers. We utilize our expertise in logistics and our U.S. military relationship to reposition off-lease containers from lower demand to higher demand locations. Finally, we believe that selling used containers ourselves optimizes the residual value of our fleet.

High Margin, High Return, Less Cyclical Business Model Driven by Diverse Revenue Streams. By balancing the ownership of containers with the management of containers for third parties, we enjoy the market presence, customer service and scale benefits of a larger fleet without the capital cost associated with owning such a fleet. We believe that over time, this model's capital cost efficiency provides us with higher operating margins and higher returns on capital than would a model in which we only owned or only managed containers. Also, managing containers during periods of low demand for containers reduces the negative financial impact of such periods since the container investors bear the cost of owning the containers. We further balance these diverse revenue streams by selling and trading containers and supplying leased containers to the U.S. military; taken together, these multiple revenue streams provide for a diverse income base, mitigate the effects of cycles in our industry on our profitability and allow us to optimize our use of capital.

Demonstrated Ability to Grow Organically or via Acquisitions of Existing Fleets. We believe we are the leasing industry's largest buyer of new containers, purchasing on average more than 90,000 TEU per year over the last 12 years; as a result, and given our large volume buying power and solid financial structure, we are able to source containers during periods of high demand. We are able to identify, analyze and integrate potential acquisitions quickly and effectively, growing our revenues without a corresponding increase in our expenses because of our scalable infrastructure. We have successfully concluded eight transactions over the last 20 years involving other lessors' container fleets or management rights over those fleets, representing over 1,143,000 TEU in total.

Business Strategies

We intend to grow our business profitably by pursuing the following strategies:

Leverage Our Status as the Largest Intermodal Container Lessor and Consistent Purchaser. While a number of our competitors purchasing patterns have fluctuated over time, we have been, and plan to continue to be, a consistent purchaser of containers, maintaining what we believe to be one of the youngest fleet age profiles among major lessors as we grow our fleet. We believe that our scale, consistent purchasing habits, and maintenance of a young fleet age profile have provided us with a competitive advantage that we will continue to exploit.

Pursue Attractive Acquisitions. Having already participated in the significant consolidation that has occurred in our industry, we will continue to seek to identify and acquire attractive portfolios of containers, both on an owned and on a managed basis, to allow us to grow our fleet profitably.

Table of Contents

Continue to Focus on Operating Efficiency. We already have a low cost, efficient structure, and we believe that we can continue to grow our fleet and therefore our revenue without a proportionate increase in our headcount, thereby spreading our operating expenses over a larger base and improving our profitability.

Grow Our Container Resale and Military Management Businesses. We look to trade containers and sell containers from our fleet when they reach the end of their useful lives in marine service or when it is financially attractive for us to do so, often receiving rental revenue from a shipping line for a one-way lease of the container to its ultimate sales destination. We also seek to grow our relationship with the U.S. military, for which we are the main provider of leased intermodal containers.

Maintain Access to Diverse Sources of Capital. We have successfully utilized a wide variety of financing alternatives to fund our growth, including secured and unsecured debt financings, bank financing, and equity from third party investors in containers. We believe this diversity of funding, combined with our anticipated access to the public equity markets, provides us with a competitive advantage in terms of both cost and availability of capital.

Risk Factors

In the execution of our business strategy, we have faced and will continue to face significant challenges. Our ability to execute our strategy is subject to numerous risks as discussed more fully in Risk Factors, immediately following this Prospectus Summary. For example:

The demand for leased containers depends on many political and economic factors beyond our control;

Lease rates may decrease, which could harm our business, results of operations and financial condition;

If container prices decline after we purchase the containers but before we lease them, our results of operations and financial condition may be harmed;

Sustained reduction in prices of new containers could harm our business and results of operations due to its effects on the lease rates of older, off-lease containers;

Further consolidation of container manufacturers or the disruption of manufacturing for the major manufacturers could result in higher new container prices and/or decreased access to new containers. Any increase in the cost or reduction in the supply of new containers could harm our business, results of operations and financial condition; and

Terrorist attacks, the threat of such attacks or the outbreak of war and hostilities could negatively impact our operations and profitability and may expose us to liability.

Any of the above risks could adversely affect our financial position and results of operations. Furthermore, the execution of our plans could result in our having reduced income or losses that could have a material adverse effect on our business. Investment in our common shares involves risks. You should read and consider the information set forth in Risk Factors and all other information set forth in this prospectus before investing in our common shares.

Recent Events

On July 23, 2007, we purchased for \$56.0 million the exclusive rights to manage the container fleet of Capital Lease Limited, Hong Kong (Capital) from Green Eagle Investments N.V., an investment vehicle of DVB Bank America N.V., which concurrently purchased all of the outstanding capital shares of Capital. Capital is the world's eighth largest container leasing company as measured by fleet size according to *Containerisation International Market Analysis: Container Leasing Market 2007*, with over 500,000 TEU in its fleet. We began management of

Edgar Filing: TEXTAINER GROUP HOLDINGS LTD - Form 424B4

the Capital fleet on September 1, 2007. With this addition, we have over 2,000,000 TEU in our fleet. We funded the \$56.0 million purchase price through a borrowing under our secured debt facility and we

Table of Contents

intend to use a portion of the proceeds from this offering to repay this borrowing. In addition, we have agreed in principle with FB Transportation Capital LLC and FB Aviation and Intermodal Finance Holding B.V. (together, "FB") that Textainer Limited will acquire half of their interest in our subsidiary, Textainer Marine Containers Limited, at a cash price equal to (i) 25% of the total shareholders' equity of the Class A Shares of Textainer Marine Containers Limited on the day immediately preceding the closing of such acquisition, plus (ii) \$18.0 million. If this transaction had closed on July 31, 2007, the cash purchase price would have been approximately \$68.7 million. In addition, as part of the consideration, at least 50% of the total annual capital expenditures of the company on new containers, as measured under GAAP, will be allocated to the Class A portion of Textainer Marine Containers Limited for a three-year period after the close of this transaction. FB shall hold 25% of all issued and outstanding Class A Shares of Textainer Marine Containers Limited after the close of this transaction. We are in the process of negotiating the transaction documents and expect to close the transaction within two business days after the closing of this offering or as soon as practicable thereafter. See "Use of Proceeds."

The U.S. military informed us in August 2007 that 26,120 containers that they lease from us are unaccounted for. Of this total, 9,850 are owned containers, 12,094 are managed for third party owners and 4,176 are subleased. Per the terms of our contract with the U.S. military, they will pay a stipulated value for each of these containers. Due to the loss of these containers, future rental income from the U.S. military on these containers will cease, but we expect to record a gain on disposal of the owned portion of these unaccounted for containers during the quarterly period ended September 30, 2007.

On September 4, 2007, our shareholders approved a one-for-one share split, effected by way of a share dividend or bonus issue, for shareholders of record as of August 8, 2007. The share split was effected by way of a bonus issue on October 8, 2007. All shares and per share data in this prospectus, including the consolidated financial statements, have been adjusted to reflect the share split, effected by way of a bonus issue.

Our Corporate Information

Our business began operations in 1979. We reorganized our business in 1993 and incorporated Textainer Group Holdings Limited in Bermuda as the holding company of a group of corporations involved in the purchase, ownership, management, leasing and disposal of a fleet of intermodal containers. Our subsidiaries manage and provide administrative support to the affiliated and unaffiliated owners of the containers. We have three directly owned subsidiaries:

Textainer Equipment Management Limited, our wholly-owned subsidiary incorporated in Bermuda, which provides container management, acquisition and disposal services to affiliated and unaffiliated container investors;

Textainer Limited, our wholly-owned subsidiary incorporated in Bermuda, which owns containers directly and via a subsidiary, Textainer Marine Containers Limited, which is jointly owned with FB Aviation and Intermodal Finance Holding B.V., a Netherlands corporation, and FB Transportation Capital LLC, a Delaware limited liability company; and

Textainer Capital Corporation, our wholly-owned subsidiary incorporated in Delaware, which together with its subsidiary, was the former managing general partner of six California limited partnerships formed to invest in transportation equipment and which are now dissolved. This entity is currently not actively operating.

The information contained on, or that can be accessed through, our website, including but not limited to www.textainer.com, is not incorporated into and is not intended to be a part of this prospectus.

We have registered TEXTAINER, TEX and tex (logo) in the U.S. Patent and Trademark Office and in the patent and trademark agencies of thirteen countries as trademarks. This prospectus also contains

Table of Contents

trademarks and trade names of other companies and those trademarks and trade names are the property of their respective owners.

This prospectus contains market data and industry forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed.

Table of Contents

The Offering

Common shares offered by us 9,000,000 Shares

Common shares to be issued and outstanding after this offering 47,604,640 Shares

Common shares currently held by Halco 27,678,802 Shares

Common shares that would be held by Halco after this offering, assuming the purchase by Halco of 2,100,000 common shares in this offering 29,778,802 Shares

Use of proceeds We intend to use the proceeds from this offering (1) to repay the debt incurred to fund our purchase of the exclusive rights to manage the container fleet of Capital from Green Eagle Investments N.V. which acquisition closed on July 23, 2007; (2) to fund the purchase of half of the interests held by FB in our subsidiary, Textainer Marine Containers Limited; (3) to fund fleet expansion and acquisitions of complementary businesses, products, technologies or other assets; and (4) for general corporate purposes, including repayment of debt, working capital and capital expenditures. See Use of Proceeds.

Dividend Policy Our board of directors has adopted a dividend policy which reflects its judgment that our shareholders would be better served if we distributed to them, as quarterly dividends payable at the discretion of our board of directors, a portion of the cash generated by our business in excess of our expected cash needs, including cash needs for potential acquisitions or other growth opportunities, rather than retaining such excess cash or using such cash for other purposes. In accordance with our dividend policy, we currently intend to pay an initial fourth quarter dividend of \$0.20 per share on or about December 2007.

We are not required to pay dividends, and our shareholders will not be guaranteed, or have contractual or other rights, to receive dividends. Our board of directors may decide, in its discretion, at any time, to decrease the amount of dividends, otherwise modify or repeal the dividend policy or discontinue entirely the payment of dividends. In addition, our ability to pay dividends is and will be restricted by current and future arrangements governing our debt and by Bermuda law. Furthermore, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends. See Dividend Policy for further details.

Table of Contents**Summary Consolidated Financial and Operating Data**

The summary consolidated financial data presented below under the heading "Statement of Income Data" for the years ended December 31, 2006, 2005 and 2004 has been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial data presented below under the heading "Statement of Income Data" for the six months ended June 30, 2007 and 2006 and under the heading "Balance Sheet Data" as of June 30, 2007, is unaudited, has been derived from our unaudited consolidated financial statements that are included elsewhere in this prospectus and has been prepared on the same basis as our audited consolidated financial statements. In the opinion of management, the unaudited consolidated summary financial data presented below under the headings "Statement of Income Data" and "Balance Sheet Data" reflects all normal and recurring adjustments necessary to fairly present our financial condition and results of operations as of and for the periods presented. The data presented below under "Other Financial and Operating Data" is not audited. Historical results are not necessarily indicative of the results of operations to be expected for future periods. You should read the summary consolidated financial 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 elsewhere in this prospectus.

We adopted the Financial Accounting Standards Board ("FASB") Staff Position Accounting for Planned Major Maintenance Activities ("FSP AUG AIR-1") effective January 1, 2007. As a result, we have retroactively adjusted our consolidated financial statements to reflect the direct expense method of accounting for maintenance, a method permitted under this Staff Position. The impact of the application of FSP AUG AIR-1 to our direct container expense, in thousands, was a \$406, \$1,903 and \$2,255 decrease for the years ended December 31, 2006, 2005 and 2004, respectively, and a \$182 decrease for the six months ended June 30, 2006.

The as-adjusted balance sheet data reflects the balance sheet data as of June 30, 2007, as adjusted for the sale of 9,000,000 common shares in this offering at the initial public offering price of \$16.50 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, as if these events had occurred as of June 30, 2007.

	Six Months Ended				
	June 30,				
	(Unaudited)		Fiscal Year Ended December 31,		
	2007	2006	2006	2005	2004
(Dollars in thousands, except per share data)					
Statement of Income Data:					
Revenues:					
Lease rental income	\$ 96,649	\$ 90,679	\$ 186,093	\$ 188,904	\$ 147,152
Management fees	10,141	6,574	16,194	15,472	17,942
Trading container sales proceeds	7,162	9,287	14,137	16,046	8,429
Incentive management fees and general partner distributions				2,874	1,579
Gain on sale of containers, net	5,611	4,186	9,558	10,456	4,275
Other	286	182	480	648	940
Total revenues	119,849	110,908	226,462	234,400	180,317

Table of Contents

	Six Months Ended				
	June 30,				
	(Unaudited)		Fiscal Year Ended December 31,		
	2007	2006	2006	2005	2004
	(Dollars in thousands, except per share data)				
Operating expenses:					
Direct container expense	18,427	15,715	29,757	24,314	16,431
Cost of trading containers sold	5,779	7,708	11,480	12,944	6,235
Depreciation expense	23,391	29,625	54,330	60,792	48,321
Amortization expense	1,070		1,023		
General and administrative expense	8,407	8,133	16,155	16,567	16,807
Incentive compensation expense	2,178	1,720	4,694	5,140	4,507
Bad debt expense, net	996	502	664	91	868
Total operating expenses	60,248	63,403	118,103	119,848	93,169
Income from operations	59,601	47,505	108,359	114,552	87,148
Other income (expense):					
Interest expense	(17,251)	(15,385)	(33,083)	(27,491)	(13,434)
Interest income	1,377	1,021	2,286	1,086	399
Realized and unrealized gains (losses) on derivative instruments, net	1,519	4,607	2,274	4,535	(889)
Other, net	(7)	(145)	243	(2,648)	(237)
Net other expense	(14,362)	(9,902)	(28,280)	(24,518)	(14,161)
Income before income tax and minority interest	45,239	37,603	80,079	90,034	72,987
Income tax expense	(2,775)	(2,061)	(4,299)	(4,662)	(4,011)
Minority interest expense					