INTERPOOL INC
Form 424B3
March 14, 2006
P R O S P E C T U S

$230,000,000

Offer to Exchange 6% Senior Notes Due 2014
for any and all outstanding 6% Senior Notes Due 2014
This Exchange Offer Will Expire at 5:00 P.M., New York City Time,
On Wednesday, April 12, 2006, Unless Extended

THE EXCHANGE OFFER

We will exchange all outstanding Notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer for an equal principal amount of Exchange Notes that are freely tradable.

You may withdraw tenders of outstanding Notes at any time prior to the expiration of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City Time, on Wednesday, April 12, 2006, unless extended. We do not currently intend to extend the expiration date.

We will not receive any proceeds from the exchange offer.

There is no existing market for the Exchange Notes to be issued, and we do not intend to apply for their listing on any securities exchange.

THE EXCHANGE NOTES

The terms of the Exchange Notes to be issued in the exchange offer are substantially identical to the outstanding Notes, except that the Exchange Notes will be freely tradable.

BROKER-DEALERS

Each broker-dealer that receives Exchange Notes for its own account in the exchange offer must acknowledge that it will deliver a prospectus in connection with any resales of those Exchange Notes. The letter of transmittal states that, by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning if the Securities Act.

This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for outstanding Notes where the outstanding Notes were acquired by the broker-dealer as a result of market-making activities or other trading activates.

We have agreed that, for a period of 90 days after the consummation of this exchange offer, we will make this prospectus available to any broker-dealer for use in connection with the resale of Exchange Notes. See "Plan of Distribution."

SEE THE SECTION ENTITLED RISK FACTORS THAT BEGINS ON PAGE 11 FOR A DISCUSSION OF THE RISKS THAT YOU SHOULD CONSIDER PRIOR TO TENDERING YOUR OUTSTANDING NOTES FOR EXCHANGE.

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.

The date of this Prospectus is March 6, 2006.

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

SUMMARY

All fleet statistics including the size of the fleet, utilization of the leasing equipment or the rental rates per day that are set forth in this prospectus include our equipment, including that portion of our equipment managed by Container Applications, Inc. (CAI). To the extent that our equipment is managed by CAI, the equipment is considered fully utilized since it is not available for us to put on hire regardless of whether all of the units are generating income. All equipment owned by CAI or managed by CAI (with the exception of equipment owned by us and managed by CAI) is excluded from all statistics, unless otherwise indicated. In addition, all of our chassis assigned to chassis pools are considered fully utilized. This exclusion of information relative to CAI, unless indicated otherwise, provides a focus on the drivers which are critical to our core business. The market share, ranking and other data contained in this prospectus are based either on our management s own estimates, independent industry *publications, reports by market research firms or other published independent sources and, in each case, are believed by management to be reasonable estimates. However, market share data is subject to change and cannot always be verified with certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market shares. As a result, you should be aware that market share, ranking and other similar data set forth herein, and estimates and beliefs based on such data, might not be reliable.*

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, refer to Interpool, Inc., a Delaware corporation. Unless otherwise noted, references to we, our and us refer collectively to Interpool and its consolidated subsidiaries.

Interpool, Inc.

We believe we are the largest lessor of intermodal chassis in North America and one of the world s leading lessors of intermodal dry freight standard containers. At September 30, 2005, our chassis fleet totaled approximately 221,000 chassis and our container fleet totaled approximately 836,000 twenty-foot equivalent units (TEU). From 1998 to 2003, we increased the size of our chassis fleet at a compound annual rate of 22% and our container fleet at a compound annual rate of 12%. During 2004, our chassis fleet remained flat and our total container fleet declined by 7%, primarily due to the contractual runoff of the container direct financing lease portfolio and the fact that we entered into only a limited number of new lease transactions due to the reduced availability of new financings during the first three quarters of 2004. This reduction in availability was due to the delay in filing our Annual Report on Form 10-K for 2002, our Quarterly and Annual Reports on Forms 10-Q and 10-K for 2003 and our Quarterly Reports on Form 10-Q for 2004. Our fleet of containers increased from 808,000 TEU at December 31, 2004 to 836,000 TEU at September 30, 2005 primarily due to the purchase of new containers. The size of our chassis fleet increased from 208,000 units at December 31, 2004 to 221,000 units at September 30, 2005.

We concentrate on leasing equipment to our customers on a long-term basis (leases for a term greater than one year). Substantially all of our new equipment is initially leased for terms of five to eight years and approximately 76% of our total fleet of chassis and 78% of our total fleet of containers as of September 30, 2005 are on long-term lease. We believe our focus on long-term leasing has enabled us to:

- Maintain high utilization rates of our equipment fleet, consisting of both operating and direct financing leases, which over the last five years averaged 99% for containers and 95% for chassis;
- Achieve more stable and predictable earnings; and
- 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.

Approximately 24% of our chassis are currently leased on a short-term basis to satisfy customers peak or seasonal requirements and to provide operational flexibility, 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 22% of our containers are currently leased on a short-term basis. Our 50%-owned consolidated subsidiary, CAI, 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 influence in the marketplace by giving us one of the world s largest container lessor fleets on a combined basis. At September 30, 2005, CAI had a container fleet of approximately 603,000 TEU. Approximately

166,000 TEU were owned by CAI with the remaining 437,000 TEU managed for others. CAI s managed equipment included approximately 150,000 TEU that were managed for us.

We have been involved in the business of leasing transportation equipment since 1968. We lease our chassis and containers to a diversified customer base of over 600 shipping and transportation companies throughout the world, including nearly all of the world s 25 largest international container shipping lines and major North American railroads. We provide customer service and market to our customers through a worldwide network of offices and agents. We believe one of the key factors in our ability to compete effectively has been the long-standing relationships that we have established with most of the world s large shipping lines and major North American railroads. As a result of these relationships, 22 of our top 25 customers have been customers for at least 10 years.

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 minimize the impact of economic cycles on earnings;

Remarket equipment when returned by lessees; and

Make strategic acquisitions of complementary businesses and asset portfolios on an opportunistic and financially disciplined basis.

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.

THE EXCHANGE OFFER

References to Notes in this prospectus refer to both the outstanding Notes and the Exchange Notes.

On September 14, 2004, we issued and sold $150 million aggregate principal amount of 6% Senior Notes due 2014 in a transaction exempt from the registration requirements of the Securities Act of 1933 (the Securities Act). On November 29, 2004, we issued and sold an additional $80 million aggregate principal amount of 6% Senior Notes due 2014 in a transaction exempt from the registration requirements of the Securities Act. Simultaneously with these transactions, we entered into registration rights agreements with the initial purchasers of these Notes, in which we agreed to deliver this prospectus to you and to commence this exchange offer. In this exchange offer, you may exchange your outstanding Notes for new Exchange Notes which have substantially identical terms, except that (i) the Exchange Notes have been registered under the Securities Act, (ii) the Exchange Notes are not entitled to registration rights under the registration rights agreement, and (iii) the liquidated damages provisions of the registration rights agreement are not applicable to the Exchange Notes. You should read the discussion under the headings The Exchange Offer and Description of Exchange Notes for further information regarding the Exchange Notes to be issued in the exchange offer.

The Exchange Offer	We are offering to exchange up to $230 million aggregate principal amount of 6% Senior Notes due 2014 registered under the Securities Act for up to $230 million aggregate principal amount of outstanding 6% Senior Notes due 2014. Outstanding Notes may be exchanged only in integral multiples of $1,000.
Resale	Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the Exchange Notes issued in the exchange offer in exchange for outstanding Notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that: you are acquiring the Exchange Notes in the ordinary course of your business; you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in the distribution of Exchange Notes; and you are not an "affiliate" of ours within the meaning of Rule 405 of the Securities Act. Each participating broker-dealer that receives Exchange Notes for its own account during the exchange offer in exchange for outstanding Notes that were acquired as a result of market-making or other trading activity must acknowledge that it will deliver a prospectus in connection with any resale of the Exchange Notes. Prospectus delivery requirements are discussed in greater detail in the section captioned Plan of Distribution. Any holder of outstanding Notes who: is an affiliate of ours, does not acquire Exchange Notes in the ordinary course of its business, or tenders in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of Exchange Notes, cannot rely on the position of the staff of the SEC enunciated in Exxon Capital Holdings Corporation, Morgan Stanley & Co. Incorporated or similar no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the Exchange Notes.
Expiration Date; Withdrawal of Tenders	The expiration date of the exchange offer will be at 5:00 p.m., New York City time, on Wednesday, April 12, 2006, or such later date and time to which we extend it. A tender of outstanding Notes in

connection with the exchange offer may be withdrawn at any time prior to the expiration date. Any outstanding Notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.

Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, which we may waive. Please read the section captioned The Exchange Offer Conditions to the Exchange Offer of this prospectus for more information regarding the conditions to the exchange offer.
Procedures for Tendering Outstanding Notes	If you wish to accept the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a facsimile of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must also mail or otherwise deliver the letter of transmittal, or a facsimile of the letter of transmittal, together with the outstanding Notes and any other required documents to the exchange agent at the address set forth on the cover page of the letter of transmittal. If you hold outstanding Notes through The Depository Trust Company (DTC) and wish to participate in the exchange offer, you must comply with the Automated Tender Offer Program procedures of DTC, by which you will agree to be bound by the letter of transmittal. By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things: any Exchange Notes that you receive will be acquired in the ordinary course of your business; you have no arrangement or understanding with any person or entity to participate in the distribution of the Exchange Notes; if you are a broker-dealer that will receive Exchange Notes for your own account in exchange for outstanding Notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of the Exchange Notes; and you are not an affiliate, as defined in Rule 405 of the Securities Act, of ours or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.
Special Procedures for Beneficial Owners	If you are a beneficial owner of outstanding Notes which are not registered in your name, and you wish to tender outstanding Notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding Notes, either make appropriate arrangements to register ownership of the outstanding Notes in your name or obtain a properly completed

	bond power from the registered holder.
Guaranteed Delivery Procedures	If you wish to tender your outstanding Notes and your outstanding Notes are not immediately available or you cannot deliver your outstanding Notes, the letter of transmittal or any other documents required by the letter of transmittal or comply with the applicable procedures under DTC s Automated Tender Offer Program prior to the expiration date, you must tender your outstanding Notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offer Guaranteed Delivery Procedures.
Consequences of Failure to Exchange	All untendered outstanding Notes will continue to be subject to the restrictions on transfer provided for in the outstanding Notes and in the indenture. In general, the outstanding Notes may not be offered or sold, unless registered under the Securities Act, except in compliance with an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the outstanding Notes under the Securities Act.
U.S. Federal Income Tax Considerations.	The exchange of outstanding Notes for Exchange Notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read the section of this prospectus captioned U.S. Federal Income Tax Consequences of the Exchange Offer for more information on tax consequences of the exchange offer.
Use of Proceeds	We will not receive any cash proceeds from the issuance of Exchange Notes in the exchange offer.
Shelf Registration Statement	Under certain circumstances, including the unavailability of the Exchange Offer to holders of the outstanding Notes, we may be required to file and use commercially reasonable efforts to cause to become effective a shelf registration statement under the Securities Act to cover resales of outstanding Notes by these holders. We would be required to use commercially reasonable efforts to keep the shelf registration statement continuously effective, subject to blackout periods, for a period of two years or until there are no longer any outstanding Notes whose resale requires registration. See "The Exchange Offer--Purpose and Effect of the Exchange Offer."
Exchange Agent	U.S. Bank National Association is the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth in the section captioned "The Exchange Offer--Exchange Agent" of this prospectus.

THE EXCHANGE NOTES

The form and terms of the Exchange Notes are substantially identical in all respects (including principal amount, interest rate, maturity and ranking) to the form and terms of the outstanding Notes, except that (i) the Exchange Notes have been registered under the Securities Act, (ii) the Exchange Notes are not entitled to registration rights under the registration rights agreement, and (iii) liquidated damages provisions of the registration rights agreement are not applicable to the Exchange Notes. The Exchange Notes will evidence the same obligations as the outstanding Notes and will be issued pursuant to, and entitled to the benefits of, the indenture governing the outstanding Notes. The exchange offer is being made to satisfy the obligations of the Company under the registration rights agreement relating to the outstanding Notes. For further information, see The Exchange Offer and Description of the Exchange Notes.

Issuer	Interpool, Inc.
Securities Offered	$230 million in principal amount of 6% Senior Notes due 2014. As of the date of this prospectus, $230 million aggregate principal amount of the Notes are outstanding.
Interest Payment Dates	March 1 and September 1 of each year, commencing on September 1, 2006.
Maturity Date	September 1, 2014.
Optional Redemption	We may redeem the Notes beginning on September 1, 2009, in whole or in part, at the redemption price set forth in this prospectus, plus accrued interest. See "Description of Exchange Notes--Optional Redemption."
Mandatory Redemption	We are not required to make any mandatory redemption or sinking fund payments.
Ranking	The Exchange Notes will be senior unsecured obligations of the Company and will rank equal in right of payment with any of our existing or future senior unsecured indebtedness and other liabilities and senior in right of payment to any of our future subordinated indebtedness. The Exchange Notes are effectively subordinated to our secured debt and are structurally subordinated to all indebtedness and other liabilities of our subsidiaries. We and our subsidiaries may incur additional debt, subject to the limits of the indenture, and our subsidiaries may incur other liabilities without limit by the indenture.
Change of Control	Upon a change of control, we will be required to make an offer to purchase the Notes at a purchase price of 101% of the principal amount of the Notes on the date of purchase plus accrued interest. We may not have sufficient funds available at that time to make any required debt repayments (including purchases of Notes) and certain provisions of our other debt agreements may further limit our ability to make these purchases.
Certain Covenants	The terms of the Notes restrict our ability and the ability of certain of our subsidiaries to: (i) incur or guarantee additional indebtedness; (ii) make certain restricted payments;

(iii) pay dividends on or redeem capital stock;

(iv) sell assets and capital stock;

(v) enter into transactions with affiliates; and

(vi) create liens.

However, these limitations are subject to a number of important qualifications and exceptions. See Description of Exchange Notes

Registration Rights

Upon consummation of the exchange offer, holders of the Notes will no longer have any rights under the registration rights agreement, except to the extent that we have a continuing obligation with respect to a shelf registration statement.

Risk Factors

See Risk Factors for a discussion of factors that should be considered by holders of outstanding Notes before tendering their outstanding Notes in the exchange offer. Most of these factors will apply to the Exchange Notes as well as the outstanding Notes.

Summary Consolidated Historical Financial and Operating Data

The following table sets forth our selected historical consolidated financial data for the periods and at the dates indicated. The historical consolidated financial data for each of the years in the five year period ended December 31, 2004 are derived from and qualified by reference to the historical Consolidated Financial Statements that have been audited and reported upon by KPMG LLP, independent registered public accounting firm. The historical financial data for the nine months ended September 30, 2004 and 2005 and as of September 30, 2005 are derived from our unaudited condensed Consolidated 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. 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. The historical results presented are not necessarily indicative of future results.

(in thousands, except per share amounts)

	Years Ended December 31,					(unaudited) Nine Months Ended September 30,	
	2000(1)(2)(4)(5)	**2001(1)(2)(4)**	**2002(1)(2)**	**2003(1)(2)**	**2004**	**2004**	**2005**
Income Statement Data:							
Equipment leasing revenue	$287,553	$338,718	$325,080	$374,287	$388,183	$289,002	$ 292,095
Depreciation and amortization of leasing equipment	$ 66,075	$ 79,678	$ 88,707	$ 87,498	$ 89,458	$ 67,974	$ 66,992
Interest expense	$ 87,809	$ 98,270	$108,344	$106,688	$112,013	$ 81,654	$ 90,305
Fair value adjustment for warrants	--	--	--	--	$ 49,222	--	$(30,178)

	Years Ended December 31,					(unaudited) Nine Months Ended September 30,	
Income before cumulative effect of change in accounting principle	$ 44,040	$ 28,104	$ 4,389	$ 37,496	$ 7,869	$ 46,448	$ 80,547
Net Income per share:							
Basic	$ 1.61	$ 1.03	$ 0.16	$ 1.37	$ 0.29	$ 1.70	$ 2.91
Diluted	$ 1.61	$ 0.97	$ 0.15	$ 1.30	$ 0.27	$ 1.57	$ 2.55
Weighted average shares outstanding:							
Basic	27,421	27,417	27,360	27,365	27,380	27,378	27,648
Diluted	27,426	28,973	29,202	28,935	28,960	30,567	32,213
Cash dividends declared per common share	$ 0.15	$ 0.1925	$ 0.2275	$ 0.25	$ 0.25	$ 0.1875	$ 0.2125
Ratio of earnings to fixed charges	1.6	1.3	1.0	1.4	1.2	1.6	1.9

(1) As disclosed in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2004, the Company uncovered an immaterial error related to the Consolidated Financial Statements, which has been reported as an adjustment to opening retained earnings. For further information regarding this adjustment, see Note 1 to the Consolidated Financial Statements included in this prospectus.

(2) Certain reclassifications have been made to the 2003, 2002, 2001 and 2000 amounts in order to conform to the 2004 presentation.

(3) Effective June 27, 2002, our Consolidated Financial Statements include CAI as a consolidated subsidiary. See Note 11 to the Consolidated Financial Statements included in this prospectus.

(4) As a result of adopting Statement of Financial Accounting Standards No. 145 (SFAS 145) Rescission of FASB statements 4, 44 and 64, Amendment of FASB statement No 13 and Technical Corrections, extraordinary gains related to the retirement of debt during the years ended December 31, 2001 and 2002, respectively, have been reclassified into operating income on a pretax basis. Income before cumulative effect of change in accounting principle include net of tax amounts of $558 and $840 for the years ended December 31, 2001 and 2000, respectively.

(5) The 2000 income statement data excludes $660 resulting from the cumulative effect of change in accounting principle. The 2000 results include earnings from the assets acquired from Transamerica (TA), which we acquired on October 24, 2000, with an effective date of October 1, 2000. The 2000 results include only the chassis acquired from TA as the rail trailers and domestic containers were identified as assets held for sale at the time of purchase.

	As of September 30, 2005 (in thousands) (unaudited)
Balance Sheet Data:	

Cash and cash equivalents	$ 145,575
Net investment in direct financing leases	$ 373,072
Leasing equipment, net	$1,782,264
Total assets	$2,456,530
Debt and capital lease obligations	$1,676,343
Stockholders' equity	$ 478,715

	As of December 31,					As of September 30,
	2000	**2001**	**2002**	**2003**	**2004**	**2005**
Fleet Data:(1)						
Chassis:						
Chassis units	175,000	190,000	204,000	208,000	208,000	221,000
Utilization rate	97%	94%	93%	96%	97%	96%
Containers:						
Containers (TEU)	650,000	703,000	796,000	870,000	808,000	836,000
Utilization rate	99%	97%	99%	99%	99%	98%

(1) Excludes CAI data.

RISK FACTORS

You should consider carefully the following risks and all of the information set forth in this prospectus before tendering your outstanding Notes for exchange in the exchange offer. Any of the following risks could materially adversely affect our business, financial condition or results of operations. The risk factors set forth below, other than those which discuss the consequences of failing to exchange your outstanding Notes in the exchange offer, are generally applicable to both the outstanding Notes and the Exchange Notes issued in the exchange offer.

Risks Relating to the Exchange Notes

The Notes are not secured.

The Notes are not secured by any of our assets or those of our subsidiaries and rank equally with our other unsecured and unsubordinated indebtedness. The Exchange Notes will be effectively subordinated to our secured debt with respect to the assets pledged as collateral therefor and, consequently, the rights of the holders of the Exchange Notes to receive payments will be subject to the rights of our secured creditors. As of September 30, 2005, our aggregate secured indebtedness was $1,234.1 million, our aggregate senior unsecured indebtedness was $330.1 million (including $198.0 million of the Notes, representing $230.0 million principal amount of Notes net of unamortized discount of $32.0 million) and our aggregate subordinated indebtedness was $112.2 million. In addition, the Indenture and the covenants thereunder will permit us to incur substantial additional secured indebtedness in the future. As of September 30, 2005 we would have been permitted to incur $777.5 million in additional indebtedness under the Indenture. During the fourth quarter of 2005 we refinanced certain of our indebtedness and entered into a new credit facility resulting in an increase to our aggregate indebtedness of approximately $287 million.

Most of our business activities and assets are operated or held by our subsidiaries. As a holding company, our ability to meet our financial obligations, including our obligations under the Exchange Notes, and our ability to pay dividends is dependent primarily upon the receipt of cash dividends, advances and other payments from our subsidiaries. In addition, the Exchange Notes are effectively subordinated to all the existing and future liabilities, including trade payables, of our subsidiaries. Any right we have to participate in any distribution of the assets of any of our subsidiaries upon the liquidation, reorganization or insolvency of such subsidiary (and the consequent right of the holders of the Notes to participate in such distributions) will be subject to the claims of the creditors (including trade creditors) and preferred shareholders of such subsidiaries. As of September 30, 2005, liabilities (excluding intercompany payables) of our subsidiaries aggregated approximately $1,172.1 million. See Description of Exchange Notes.

If you choose not to exchange your outstanding Notes, the present transfer restrictions will remain in force and the market price of your outstanding Notes could decline.

If you do not exchange your outstanding Notes for Exchange Notes under the exchange offer, then you will continue to be subject to the existing transfer restrictions on the outstanding Notes. In general, the outstanding Notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding Notes under the Securities Act. You should refer to Prospectus Summary Summary of the Exchange Offer and The Exchange Offer for information about how to tender your outstanding Notes.

The tender of outstanding Notes under the exchange offer will reduce the principal amount of the Notes outstanding, which may have an adverse effect upon, and increase the volatility of, the market price of the outstanding Notes due to a reduction in liquidity.

There is no existing market for the Exchange Notes, and we cannot assure you that an active trading market will develop for the Exchange Notes or that you will be able to sell your Exchange Notes.

The outstanding Notes were issued to, and we believe these securities are currently owned by, a relatively small number of beneficial owners. The outstanding Notes have not been registered under the Securities Act and will remain subject to restrictions on transferability if they are not exchanged for the Exchange Notes. Although the Exchange Notes may be resold or otherwise transferred by the holders (who are not our affiliates) without compliance with the registration requirements under the Securities Act, they will constitute a new issue of securities with no established trading market. There can be no assurance that such a market will develop. In addition, the Exchange Notes will not be listed on any national securities exchange. The Exchange Notes may trade at a discount from the initial offering price of the outstanding Notes, depending upon prevailing interest rates, the market for similar securities, our operating results and other factors. Therefore, there can be no assurance that an active market for any of the Exchange Notes will develop. If an active public market does not develop, the market price and liquidity of the Exchange Notes may be adversely affected.

If a public trading market develops for the Exchange Notes, future trading prices will depend on many factors, including, among other things, prevailing interest rates, our financial condition, and the market for similar securities. Depending on these and other factors, the Exchange Notes may trade at a discount.

Notwithstanding the registration of the Exchange Notes in the exchange offer, holders who are affiliates (as defined under Rule 405 of the Securities Act) of us may publicly offer for sale or resale the Exchange Notes only in compliance with the provisions of Rule 144 under the Securities Act.

Each broker-dealer that receives Exchange Notes for its own account in exchange for outstanding Notes, where such outstanding Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See Plan of Distribution.

Defaults under our outstanding indebtedness, including violations of existing financial covenants, could result in the acceleration of such indebtedness, which would constitute an Event of Default under the indenture. If our outstanding indebtedness is accelerated, we may be unable to repay the accelerated indebtedness, including the Exchange Notes.

A default by us, including the violation of certain financial covenants, under any bond, debenture or other Funded Debt of ours or any subsidiary that results in the acceleration of such indebtedness would constitute an Event of Default under the indenture governing the Notes. See Description of Exchange Notes Events of Default, Notice and Waiver. If such an Event of Default occurs we may be unable to repay all accelerated indebtedness, including the Exchange Notes.

We have various debt agreements under which we are required to maintain certain financial covenants, including minimum tangible net worth, maximum fixed charge coverage ratios and maximum funded debt to net worth ratios. The most stringent of these financial covenants require us to maintain a minimum tangible net worth of $300.0 million, a fixed charge coverage ratio of not less than 1.5 to 1 and a funded debt to net worth ratio of less than 4.0 to 1. As of September 30, 2005, under these financial covenants, we would have been permitted to incur an additional $665.3 million of funded debt.

Following the sale of substantially all of our assets, you may not be able to determine whether a change of control has occurred which would give rise to your right to have us repurchase the Exchange Notes.

If a change of control occurs as defined in the Indenture, we are required to make an offer to each of the holders of the Notes to purchase all or any part (equal to $1,000 or an integral multiple thereof) of that holder s Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the Notes purchased, plus accrued and unpaid interest on such Notes, if any, including Liquidated Damages, if any, to the date of purchase. We cannot assure you that you will be able to determine when a change of control, if any, giving rise to your right to have us repurchase the Exchange Notes may occur following a sale of substantially all of our assets.

We may enter into transactions, including recapitalizations, reorganizations and other highly leveraged transactions, that do not constitute a change of control but that could adversely affect the holders of the Exchange Notes.

We are permitted under the indenture governing the Notes to engage in certain highly leveraged transactions, including reorganizations, restructurings, mergers or similar transactions, that may adversely affect the holders of the Exchange Notes. Such transactions may substantially impair our ability to repay the Exchange Notes and would not trigger the change of control purchase feature that would require us to repurchase the Exchange Notes. The indenture does not necessarily afford holders of the Notes protection in the event of such highly leveraged transactions.

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 many domestic and foreign leasing companies, some of which have greater financial resources and access to capital than we do. From time to time, the industry may have large under-utilized 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.

Pending governmental investigations may adversely affect us.

Following our announcement in July 2003 that our Audit Committee had commissioned an internal investigation by special counsel into our accounting, we were notified that the SEC had opened an informal investigation of Interpool. As we anticipated, this investigation was subsequently converted to a formal investigation and remains pending as of the date this registration statement was filed. We are fully cooperating with this investigation. The New York office of the SEC has received a copy of the written report of the internal investigation and has received documents and information from us, our Audit Committee and certain other parties pursuant to SEC subpoenas. In late 2003, we were also advised that the United States Attorney s office for the District of New Jersey received a copy of the written report of the internal investigation and opened a parallel investigation focusing on certain matters described in the report by the Audit Committee s special counsel. We were informed that Interpool is neither a subject nor a target of the investigation by the U.S. Attorney s office. We cannot predict the final outcome of these investigations and accordingly cannot be assured that they will not result in the taking of actions adverse to us.

Stockholder litigation.

In February and March 2004, several lawsuits were filed in the United States District Court for the District of New Jersey, by purchasers of our common stock naming us and certain of our present and former executive officers and directors as defendants. The complaints alleged violations of the federal securities laws relating to our reported Consolidated Financial Statements for the years ended December 31, 2000 and 2001 and the nine months ended September 30, 2002, which we announced in March 2003 would require restatement. Each of the complaints purported to be a class action brought on behalf of persons who purchased our securities during a specified period. In April 2004, the lawsuits, seeking unspecified amounts of compensatory damages and costs and expenses, including legal fees, were consolidated into a single action with lead plaintiffs and lead counsel having been appointed. The plaintiffs filed a consolidated amended complaint in September 2004, which included allegations of purported misstatements and omissions in our public disclosures throughout an expanded purported class period from March 31, 1999 through December 26, 2003.

In November 2004, we and the other defendants filed a motion to dismiss the amended complaint. The motion to dismiss was granted by the District Court on August 18, 2005, dismissing the plaintiffs claims in their entirety and with prejudice. On September 19, 2005, the plaintiffs filed a notice of appeal of the dismissal order, thereby initiating a review of the District Court s decision by the United States Court of Appeals for the Third Circuit. In the event the District Court s decision granting our motion to dismiss is reversed, we would expect to incur additional defense costs typical of this type of class action litigation. If we become required to defend this lawsuit beyond the current appellate stage as a consequence of an adverse result on appeal, we intend to do so vigorously but are unable at this time to ascertain the impact the litigation may have on our financial condition and results of operations. On the other hand, if the District Court s decision is affirmed after full appellate review, the case and its associated litigation costs will be concluded.

We have received a letter dated December 8, 2005 from the Director of the Appellate Mediation Program for the United States Court of Appeals for the Third Circuit, confirming the settlement terms for this class action litigation, to which all parties have agreed, which are: (1) a cash payment on behalf of defendants in the total amount of $1,000,000, inclusive of all of the fees and expenses of plaintiffs counsel, and (2) the dismissal of all claims against us and the other defendants on a class-wide basis. The entire $1,000,000 payment will be funded by our insurance carrier. The agreed settlement terms will be embodied in a formal settlement agreement that will be submitted to the United States District Court for the District of New Jersey, and will be subject to approval by the District Court.

Our internal controls and procedures require further improvements.

As we disclosed in our 2002, 2003 and 2004 Form 10-K reports, and in our Form 10-Q reports for the years 2003 and 2004, and the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005, we have previously concluded that certain internal control deficiencies identified by our external auditors and by management, as well as through the investigation by the Audit Committee of the Board of Directors, constituted material weaknesses or significant deficiencies as defined by the Public Company Accounting Oversight Board (United States). In addition, as described in detail in our 2004 Form 10-K report and our Form 10-Q reports for the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005, our review of internal controls over financial reporting, using the framework defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), confirmed that most of the previously disclosed deficiencies still existed as of December 31, 2004, March 31, 2005, June 30, 2005 and September 30, 2005. Accordingly, management, including our Chief Executive Officer and Chief Financial Officer, concluded that our controls over financial reporting, as required under the Sarbanes-Oxley Act, were not effective as of December 31, 2004.

We believe that actions implemented to date and those we expect to implement in 2005, 2006 and beyond will correct the material weaknesses in our internal controls and information systems and that our processes and systems of internal controls will be effective. However, the actions implemented to date and those we intend to implement in the future have not been tested and we cannot give any assurances that all material weaknesses and significant deficiencies have been entirely corrected or that internal control weaknesses will not be identified from time to time in the future. Any material internal control weakness could materially affect our financial results.

Defaults by our customers could adversely affect our business by decreasing revenues and increasing doubtful accounts, 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 not be able to collect receivables 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 lessees is more cumbersome.

If a lessee defaults, we may be unable to re-lease 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.

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 similar 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.

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

Changes in the political, economic or financial condition of China, which would increase the market price, availability or transportation costs of containers or chassis, could adversely affect our ability to maintain our supply of equipment. China is currently the largest container producing nation in the world and a significant supplier of chassis. We currently purchase substantially all of our containers and a significant portion of our chassis from manufacturers in China. In the event that it were to become more expensive for us to procure containers and chassis in China or to transport these containers or chassis at a low cost from China to the locations where they are needed, because of a shift in U.S. trade policy toward China, increased tariffs imposed by the United States or other governments, a significant downturn in the political, economic or financial condition of China, 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. It is impossible to predict the effect that recent changes in Chinese currency policy to let the yuan float in relation to the dollar will have on our ability to maintain our supply of containers and chassis.

We are controlled by a limited number of stockholders; this concentrated ownership could discourage acquisition bids for us that are not supported by our majority stockholders or limit the price investors will be willing to pay in the future for shares of our common stock.

As of January 11, 2006, approximately 63.84% of our common stock was beneficially owned, directly or indirectly, in the aggregate by Martin Tuchman, Warren L. Serenbetz, Jr., Raoul J. Witteveen and Arthur L. Burns, together with certain members of their immediate families and certain related entities. Each of Messrs. Tuchman, Serenbetz and Burns is a member of our Board of Directors and Mr. Tuchman and Mr. Burns are executive officers. Mr. Witteveen is a former director and executive officer. 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. Our concentrated ownership may discourage acquisition bids for us that are not supported by our majority stockholders. This concentration of ownership could limit the price that investors might be willing to pay in the future for shares of our common stock.

We have relationships with and have entered into transactions with members of our management and affiliated entities that may involve inherent conflicts of interest.

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. (See Certain Relationships and Related Transactions.)

We are dependent on the knowledge and experience of members of our senior management; loss of these members could adversely affect our ability to formulate and achieve our strategy and pursue new business initiatives.

Our growth and continued profitability are dependent upon, among other factors, the abilities, experience and continued service of certain members of our senior management, including Martin Tuchman, our Chairman and Chief Executive Officer. Mr. Tuchman holds, either directly or indirectly, a substantial equity interest in Interpool and also is a director of Interpool. Additionally, other members of our senior management possess knowledge of, and extensive experience in, the intermodal transportation industry. We rely on this knowledge and experience in our strategic planning and in our day-to-day business operations. If one or more members of our senior management were to resign or otherwise be unavailable to serve us, the loss could adversely affect our ability to formulate and achieve our strategy and pursue new business initiatives. In addition, we do not currently have employment agreements with all of our 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 profitably;

The cost of comparable new equipment;

The cost to remanufacture chassis;

The availability of used equipment;

Rates of inflation;

Market conditions;

The costs of materials and labor; and

The obsolescence of certain types of equipment in our fleet.

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 financing leases.

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

Through December 31, 2004, we claimed tax benefits under an income tax convention between the United States and Barbados (pre-2005 Treaty), 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.

Interpool Limited has been entitled to the benefits of the Tax Convention for each year by satisfying the two-pronged test to the limitation of benefits provision: (1) more than 50% of the shares of Interpool Limited were owned, directly or indirectly, by any combination of individual United States residents or citizens (the 51% U.S. ownership test), and (2) its income was not used in substantial part, directly or indirectly, to meet liabilities to persons who were not residents or citizens of the United States (the base erosion test). We believe Interpool Limited passed both of these tests through December 31, 2004.

On July 14, 2004, the United States and Barbados signed a protocol to the pre-2005 Treaty (post-2004 Treaty) that contains a more restrictive limitation on benefits provision than the pre-2005 Treaty. The post-2004 Treaty took effect on January 1, 2005 following its ratification by the United States Senate and the government of Barbados on

December 20, 2004. Under the post-2004 Treaty, in addition to having to satisfy the 51% U.S. ownership and base erosion tests described above, Interpool Limited is only eligible for Treaty benefits with respect to its container rental and sales income if Interpool, Inc. is listed on a recognized stock exchange and Interpool, Inc. s stock is primarily and regularly traded on such exchange.

Although our common stock had been delisted during 2004 and was not traded on the New York Stock Exchange as of December 31, 2004, on January 13, 2005 Interpool, Inc. was again listed, and began trading, on the New York Stock Exchange. Interpool believes this listing and its current trading volume satisfies the primarily and regularly traded requirements of the post-2004 Treaty, and that Interpool Limited qualified for benefits under the post-2004 Treaty on January 13, 2005.

There is no assurance we will continue to satisfy the regularly traded, 51% U.S. ownership or base erosion tests of the post-2004 Treaty. In addition, at some future date the tax convention could be further modified in a manner adverse to us or repealed in its entirety, or we might not continue to be eligible for these tax benefits.

As a company resident in Barbados, Interpool Limited is required to file tax returns in Barbados and pay any tax liability to Barbados. Prior to the third quarter of 2005, no Barbados tax returns had been prepared or filed for Interpool Limited for any period subsequent to its 1997 tax year. As of September 30, 2005, all previously outstanding Barbados tax returns (1998-2004 tax years) were filed. There was no material underpayment of taxes, interest or penalties (other than a nominal late filing penalty) with the filing of these returns.

A substantial portion of our future cash flows will be needed to service our indebtedness. Since our debt was downgraded beginning in 2003, our cost of borrowing has increased.

Historically, we have made, and continue to make, use of indebtedness to finance our equipment leasing activities and for other general corporate purposes. As of September 30, 2005, our total outstanding indebtedness was approximately $1.7 billion and our indebtedness due within one year was $192.2 million. As of December 31, 2004, our scheduled capital lease and debt service payments (principal and estimated interest) for 2005 totaled $341.9 million and for 2006 totaled $230.0 million. We anticipate that we will incur additional indebtedness in the future. We are required to dedicate a substantial portion of our cash flow to payments on our indebtedness, thereby reducing the amount of cash flow available to fund working capital, capital expenditures, including fleet growth, and other corporate requirements. Should our cash flow be insufficient to service our debt obligations, we would be required to seek additional funds to meet our obligations. Additional funds, if needed, might not be available to us or, if available, might not be made available on terms acceptable to us.

Our business is highly dependent upon the availability of capital. In particular, the growth and replacement 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. There is no assurance that interest rates and advance rates on any future financings will be as attractive as those experienced in the past. If we raise additional funds by issuing equity securities, further dilution to the existing stockholders may result.

During October and November 2003, the ratings on our debt securities were downgraded by three major rating agencies, Standard & Poor s, Fitch, and Moody s, citing the resignation of our former President, continued delay in issuing audited restated Consolidated Financial Statements for 2000 and 2001 and our audited Consolidated Financial Statements for 2002 to be included in our 2002 Annual Report on Form 10-K, and the need to obtain waivers from our lenders to avoid technical defaults under our loan agreements associated with the financial statement delays. Our debt securities were again downgraded by all three rating agencies following our press release on December 29, 2003, that indicated that release of our 2000, 2001 and 2002 financial statements and the filing of our 2002 Annual Report on Form 10-K would again be delayed. Our 2002 Annual Report was subsequently filed on January 9, 2004. On January 27, 2004, Moody s again downgraded our debt securities citing continued uncertainty associated with the delayed release of our financial information for 2003. We were subsequently advised that Moody s also reduced the shadow rating of our chassis securitization. We were advised by the provider of the insurance wrap portion of the chassis securitization that, as a result of the downgrade of the shadow rating, we are liable to indemnify such provider for certain of the provider s increased capital charge costs. During October 2004, we reached an agreement with such provider, pursuant to which we will pay approximately $0.2 million per month in additional premium, declining as the loan is paid down. Such additional premium will be further adjusted downward after eighteen months if the shadow rating improves, potentially going away entirely. In addition, as part of this agreement the wrap provider and the other participants in the chassis securitization have permanently waived any early amortization event or default associated with the downgrade of the shadow rating. Such downgrades may also have a negative effect on our interest cost, although two financings completed in the fourth quarter of 2004 and first quarter of 2005 totaling approximately $650.0 million have interest rates that will reduce should our credit ratings improve. Although the credit ratings of our debt securities were upgraded by Moody s on March 4, 2005 and in October 2005 Fitch upgraded the rating on our debt securities and Moody s increased the shadow rating of the chassis securitization, there can be no assurance that we will not be downgraded again in the future.

Increases in interest rates may increase our debt service obligations and adversely affect our liquidity.

A portion of our borrowings are at variable rates of interest and expose us to interest rate risk. As of September 30, 2005, $273.0 million or 16.3% of our borrowings were exposed to changes in variable interest rates. As interest rates rise, our debt service obligations increase. An increase of 1 percentage point in our variable rates of interest would result in an increase in interest costs of approximately $2.73 million on an annual basis. A significant rise in interest rates could have a material adverse effect on results of operations in future periods. For further discussion on interest rate risk see Management s Discussion and Analysis of Financial Condition and Results of Operation Quantitative and Qualitative Disclosure about Market Risk.

The price of our common stock may 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.

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 change 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 ide 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.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the Exchange Notes offered hereby. In consideration for issuing the Exchange Notes as described in this prospectus, we will receive in exchange a like principal amount of outstanding Notes, the terms of which are identical in all material respects to the Exchange Notes. The outstanding Notes surrendered in exchange for the Exchange Notes will be retired and canceled and cannot be reissued. Accordingly, issuance of the Exchange Notes will not result in any change to our capitalization.

The portion of the gross proceeds to us from the September 2004 offering attributable to the sale of the Notes was $127.5 million. We used $49.1 million of the proceeds to repurchase at face value $31.6 million principal amount of our outstanding 7.35% notes due 2007 and $17.5 million principal amount of our 7.20% notes due 2007. We have used and intend to continue to use the remaining proceeds from the September 2004 offering of Notes for capital expenditures, acquisitions, and for working capital and general corporate purposes. We retain broad discretion as to the use of the net proceeds.

The gross proceeds to us from the November 2004 offering of Notes were $68.1 million. We have used and intend to continue to use the proceeds from the November 2004 offering of Notes for capital expenditures, acquisitions, and for working capital and general corporate purposes. We retain broad discretion as to the use of the net proceeds.

PRICE RANGE OF COMMON STOCK

Our common stock was listed on the New York Stock Exchange from 1993 to December 2003. Effective December 29, 2003, due to the delay in filing our 2002 Annual Report on Form 10-K with the Securities and Exchange Commission, our common stock and other listed securities were suspended from trading on the New York Stock Exchange, and delisting proceedings were commenced. Although we filed our 2002 Form 10-K on January 9, 2004 and appealed the suspension, our listed securities were delisted in April 2004. During the period the suspension and delisting were in effect, our common stock was traded on the over-the-counter market under the symbol IPLI. In December 2004, after making all delinquent SEC filings, we applied for relisting on the New York Stock Exchange and on January 13, 2005, our common stock and other listed securities were relisted on the New York Stock Exchange. Our common stock is traded on the New York Stock Exchange under the symbol IPX. The following table sets forth for the periods indicated commencing on January 1, 2004, the high and low closing sale prices for our common stock. All share and per share data have been rounded to the nearest cent.

	Common Stock Price	
	High	**Low**
Year ended December 31, 2004 *		
First Quarter	16.50	14.00
Second Quarter	17.50	15.50
Third Quarter	19.10	16.50
Fourth Quarter	24.00	17.25
Year ended December 31, 2005		
First Quarter	24.00	21.60
Second Quarter	22.23	18.60
Third Quarter	21.79	17.75
Fourth Quarter	20.25	17.70
Year ending December 31, 2006		
First Quarter (through February 24, 2006)	21.08	18.36

* All closing prices for 2004 were obtained from the over-the-counter market.

As of January 11, 2006 there were approximately 3,287 stockholders of record of our common stock. On February 24, 2006, the last reported sale price of our common stock on the New York Stock Exchange was $19.94 per share.

DIVIDEND POLICY

We paid a quarterly dividend of $0.075 per share on our common stock in July and October 2005. We paid a quarterly dividend of $0.0625 per share on our common stock in January and April 2005 and January, April, July and October of 2004 and 2003. We paid a quarterly dividend of $0.055 per share on our common stock in January, April, July and October of 2002 and a quarterly dividend in the amount of $0.05 per share on our common stock in July and October 2001. 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.

On November 23, 2005, we announced that our Board of Directors had approved an increase in our quarterly dividend to $0.08 per share on our common stock, commencing with the dividend payable in January 2006.

The Board of Directors has instituted a dividend reinvestment plan, which went into effect at the end of 2001. The plan is non-dilutive; shares required for the plan are acquired on the open market by an independent third party plan administrator and not through the issuance of additional shares by us.

In November 2005 we paid a special cash dividend on our common stock of $1.00 per share.

On December 16, 2005, we announced that our Board of Directors had approved an increase of $0.12 per share in the amount of our fourth quarter 2005 dividend payment. The additional special dividend was paid, together with the previously declared regular quarterly dividend payment of $0.08 per share, on January 17, 2006 to stockholders of record on January 3, 2006. Accordingly, the total amount of the dividend was $0.20 per share. This increase related only to the dividend payable in January 2006. Future quarterly dividend payments are expected to be at the previously announced quarterly rate of $0.08 per share.

CAPITALIZATION

The following table sets forth our short-term debt and capitalization as of September 30, 2005. Our short-term debt and capitalization is presented on an actual basis.

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 September 30, 2005
	(in thousands)
Short-term debt obligations (including current portion of long-term debt and capital lease obligations)	$ 192,171
Long-term debt and capital obligations (less current portion)	1,484,172
Minority interest in equity of subsidiaries	42,907
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, 28,786,564 shares issued and outstanding	28
Additional paid-in capital	150,540
Unamortized deferred compensation - stock grants	(463)
Treasury stock, at cost, 931,591 shares	(16,632)
Retained earnings	344,300
Accumulated other comprehensive income, net of taxes	942

		As of September 30, 2005
Total stockholders' equity		478,715
Total capitalization	$	2,197,965

SELECTED CONSOLIDATED HISTORICAL FINANCIAL AND OPERATING DATA

The following table sets forth our selected historical consolidated financial data for the periods and at the dates indicated. The historical financial data for each of the years in the five year period ended December 31, 2004, and at December 31, 2000, 2001, 2002, 2003 and 2004 are derived from and qualified by reference to the historical Consolidated Financial Statements that have been audited and reported upon by KPMG LLP, independent registered public accounting firm. The historical financial data for the nine months ended September 30, 2004 and 2005 and as of September 30, 2005 are derived from our unaudited condensed Consolidated 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. 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. The historical results presented are not necessarily indicative of future results.

(in thousands, except per share amounts)

	Years Ended December 31,					(unaudited) Nine Months Ended September 30,	
	2000[(1)(2)(4)(5)]	2001[(1)(2)(4)]	2002[(1)(2)(3)]	2003[(1)(2)]	2004	2004	2005
Income Statement Data:							
Equipment leasing revenue	$287,553	$338,718	$325,080	$374,287	$388,183	$289,002	$292,095
Depreciation and amortization of leasing equipment	$66,075	$79,678	$88,707	$87,498	$89,458	$67,974	$66,992
Interest expense	$87,809	$98,270	$108,344	$106,688	$112,013	$81,654	$90,305
Fair value adjustment for warrants	--	--	--	--	$49,222	--	$(30,178)
Income before cumulative effect of change in accounting principle	$44,040	$28,104	$4,389	$37,496	$7,869	$46,448	$80,547
Net income per share:							
Basic	$1.61	$1.03	$0.16	$1.37	$0.29	$1.70	$2.91
Diluted	$1.61	$0.97	$0.15	$1.30	$0.27	$1.57	$2.55
Weighted average shares outstanding:							
Basic	27,421	27,417	27,360	27,365	27,380	27,378	27,648
Diluted	27,426	28,973	29,202	28,935	28,960	30,567	32,213
Cash dividends declared per common share	$0.15	$0.1925	$0.2275	$0.25	$0.25	$0.1875	$0.2125
Ratio of earnings to fixed charges	1.6	1.3	1.0	1.4	1.2	1.6	1.9

(1) As disclosed in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2004, the Company uncovered an immaterial error re