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INTERPOOL INC
Form 8-K/A
July 30, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

November 2, 2000 (October 24, 2000)
Date of Report (Date of earliest event reported)

INTERPOOL, INC
(Exact Name of Registrant as Specified in Charter)

Delaware (State or other jurisdiction of Incorporation)	1-11862 (Commission File Number)	13-3467669 (IRS Employer Identification No.)
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211 College Road East, Princeton, New Jersey (Address of Principal Executive Offices)	08540 (Zip Code)
--	---------------------

(609) 452-8900
Registrant's telephone number, including area code

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Item 2. Acquisition or Disposition of Assets.

On October 24, 2000, Interpool, Inc. (the "Registrant") consummated the transactions contemplated by an Asset Purchase Agreement, dated as of July 27, 2000, between the Registrant and Transamerica Leasing, Inc. (the "Seller"), a subsidiary of Transamerica Finance Corporation and AEGON N.V, as amended on October 24, 2000 (the "Asset Purchase Agreement"). Pursuant to the Asset Purchase Agreement, the Registrant acquired substantially all of the domestic containers, chassis and trailers of Seller's North American intermodal division ("Transamerica N.A. Intermodal") and related assets and assumed certain

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liabilities related to the assets and Seller's business for an aggregate purchase price of approximately \$681 million in cash, subject to post-closing adjustments. The Registrant currently plans to use the assets it acquired pursuant to the Asset Purchase Agreement in its own intermodal business. The Registrant funded the acquisition through a combination of cash on-hand and proceeds from (i) committed secured financing facilities arranged by First Union Securities, Inc. in an amount equal to approximately \$101 million and (ii) a syndicated secured loan arranged by Citicorp USA, Inc. in an amount equal to approximately \$300 million. In connection with the transactions contemplated by the Asset Purchase Agreement, the Registrant and Seller entered into a Transition Services Agreement under which the Seller has agreed to provide certain information and transition services to the Registrant to enable the Registrant to continue operating the assets it acquired from the Seller. The foregoing description of the Asset Purchase Agreement is qualified in its entirety by the terms and conditions of the Asset Purchase Agreement which is incorporated herein by reference to the Form 8K filed on November 2, 2000. On October 24, 2000, the Registrant issued a press release announcing the consummation of the transactions contemplated by the Asset Purchase Agreement. A copy of the press release is attached hereto as Exhibit 99.1.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

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Report of Independent Public Accountants

To the Board of Directors of Interpool Inc.:

We have audited the accompanying balance sheets of Transamerica N.A. Intermodal (the "Company") as of September 30, 2000 and December 31, 1999, and the related statements of income, changes in divisional equity, and cash flows for the nine month period ended September 30, 2000 and the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Transamerica N.A. Intermodal as of September 30, 2000 and December 31 1999, and the results of its operations and its cash flows for the nine month period ended September 30, 2000, and the years ended December 31, 1999 and 1998 in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

New York, New York
July 27, 2001

TRANSAMERICA N.A. INTERMODAL BALANCE SHEETS (dollars in thousands)

	9/30/00	12/31/99
	-----	-----
Assets:		
Cash and Marketable Securities	\$ --	\$ 15
Revenue Earning Equipment	930,446	868,929
Accumulated Depreciation	354,438	328,076
Net Revenue Earning Equipment	576,008	540,853
Accounts Receivable, net of allowance for doubtful accounts of \$1,292 and 1,263 in 2000 and 1999 respectively	30,895	35,920
Other Assets	10,117	9,616
	-----	-----

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Total Assets	\$617,020	\$586,404
	=====	=====
Liabilities and Divisional Equity:		
Accounts Payable and Accrued Expenses	\$ 22,769	\$ 9,687
Deferred Tax Liabilities	166,011	156,654
Advances from TAL	371,131	364,055
	-----	-----
Total Liabilities	559,911	530,396
Commitments and Contingencies		
Divisional Equity	57,109	56,008
	-----	-----
Total Liabilities and Divisional Equity	\$617,020	\$586,404
	=====	=====

The accompanying notes are an integral part of these balance sheets.

TRANSAMERICA N.A. INTERMODAL
STATEMENTS OF INCOME
(dollars in thousands)

	9 Months Ended 9/30/00	Year Ended 12/31/99	Year Ended 12/31/98
REVENUES:			
Leasing Revenues	\$ 122,917	\$ 165,885	\$ 164,353
	-----	-----	-----
COST AND EXPENSES:			
Lease operating expenses	33,696	36,707	40,906
Administrative expenses	10,055	12,402	18,394
Depreciation and amortization of leasing equipment	39,458	50,387	49,836
Other (income)/expense, net	(2,062)	(2,336)	(3,917)
Interest expense, net of interest earnings from TAL	18,107	22,546	23,679
	-----	-----	-----
	99,254	119,706	128,898
	-----	-----	-----
Income before provision for income taxes	23,663	46,179	35,455
PROVISION FOR INCOME TAXES	9,357	18,102	14,088
	-----	-----	-----
NET INCOME	\$ 14,306	\$ 28,077	\$ 21,367
	=====	=====	=====

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The accompanying notes are an integral part of these statements.

TRANSAMERICA N.A. INTERMODAL
STATEMENTS OF CHANGES IN DIVISIONAL EQUITY
(dollars in thousands)

Balance, December 31, 1997	\$ 58,682
Net Income	21,367
Dividends Paid	(24,263)

Balance, December 31, 1998	55,786
Net Income	28,077
Dividends Paid	(27,855)

Balance, December 31, 1999	56,008
Net income	14,306
Dividends Paid	(13,205)

Balance, September 30, 2000	\$ 57,109
	=====

The accompanying notes are an integral part of these statements.

TRANSAMERICA N.A. INTERMODAL
STATEMENTS OF CASH FLOWS
(dollars in thousands)

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	9 Months Ended 9/30/00	Year Ended 12/31/99	Year E 12/31
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 14,306	\$ 28,077	\$ 2
Depreciation and amortization	39,458	50,387	4
Gain on sale of leasing equipment	(1,090)	(1,511)	(
Accounts and notes receivable	5,025	(11,296)	
(Increase) decrease in other assets	(501)	(662)	
Increase in accounts payable and accrued expenses	13,082	(447)	(
Deferred Tax Provision	9,357	18,102	1
	-----	-----	-----
Net cash provided by operating activities	79,637	82,650	8
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of leasing equipment	(77,286)	(64,568)	(4
Proceeds from dispositions of leasing equipment	3,763	8,342	1
	-----	-----	-----
Net cash used for investing activities	(73,523)	(56,226)	(3
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net advances from (reimbursements to) TAL	7,076	1,446	(1
Dividends paid	(13,205)	(27,855)	(2
	-----	-----	-----
Net cash provided by financing activities	(6,129)	(26,409)	(4
	-----	-----	-----
Net increase (decrease) in cash and short-term investments	(15)	15	
	15	--	
	-----	-----	-----
CASH AND SHORT-TERM INVESTMENTS, BEG. OF PERIOD	\$ --	\$ 15	\$
	=====	=====	=====

The accompanying notes are an integral part of these statements

TRANSAMERICA N.A. INTERMODAL
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000 (IN THOUSANDS)

(1) Nature of operations and significant accounting policies:

Nature of operations -

Transamerica N.A. Intermodal (the "Company"), is a division of Transamerica Leasing Inc. ("TAL") itself a wholly owned subsidiary of Transamerica Finance Corp. ("TFC"), Transamerica and AEGON, NV. Separate accounting records were

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maintained for the Company, however financial statements prepared in accordance with accounting principles generally accepted in the United States had not been historically prepared; all assets, liabilities, revenues and expenses attributable to the Company being part of the financial results of TAL. As such, the Company was economically dependent upon TAL.

The Company conducts business principally in three industry segments. These are the leasing of (i) domestic intermodal chassis, (ii) rail trailers and (iii) domestic containers. The customers for this equipment are a significant number of domestic companies, some of which are domestic subsidiaries or branches of international shipping lines. Equipment is principally purchased directly or acquired through lease agreements.

In October 2000, the Company was acquired by Interpool Inc. Under the terms of the agreement, substantially all of the domestic containers, chassis, and trailers along with related assets and liabilities were sold to Interpool Inc.

Basis of Presentation--

The accompanying financial statements present the operations of the Company. Financial statement balances have been derived from the financial records of TAL, which contained businesses other than the domestic intermodal chassis, rail trailer, and domestic container businesses. These financial statements are presented as if the Company had existed as an entity separate from TAL during the periods presented, and includes financial information directly related to the Company's operations and allocated costs from TFC and TAL for services provided to the Company by these entities. Divisional equity at January 1, 1998 represents the net assets of the Company at that point in time and does not reflect cumulative income statement activity from the Company's inception. These statements do not purport to reflect the financial position, or results of operations or cash flows, that would have resulted if the Company had operated as a separate entity. Management believes the financial statements of the Company to be a fair representation of Company's financial position, results of operations and cash flows within the framework of TAL's business.

The assets of the Company were determined by specific identification of the assets used in, or relating to, the Company's business.

Revenue Recognition -

Equipment leasing revenues include revenue generated from operating leases, which are recognized over the term of the respective lease agreements.

Expense Recognition --

The statements of income of the Company include all costs directly attributable to the Company and also include

allocated expenses for services provided by TFC and TAL. All lease operating expenses, depreciation, and other income and expenses are directly attributable to the Company. Certain administrative expenses including employee benefits, occupancy, information technology services and technology usage that relate to the Company have been allocated. In 2000 and 1999, expense allocations have been based on specific identification or headcount equivalents. During 1998, expense allocations were based on fleet size. Management believes that these allocations are reasonable and represent their best estimate. These allocations are not necessarily indicative of the costs and expenses that would have resulted if the Company had been operated as a separate entity.

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Cash --

The Company maintains only a notional cash balance. TAL provides the Company with all of its liquidity needs.

Accounts Receivable --

Accounts receivable represent amounts due from lessors for the rental of the Company's equipment. The Company's policy is to establish an allowance for possible losses for at least 50% of an account balance when an account is 120 past due and to write-off the account when it becomes 365 days past due. Management believes the allowance for doubtful accounts of \$1,292 and \$1,263 at September 30, 2000 and December 31, 1999, respectively, provide adequate reserves for potentially uncollectable accounts.

Other Assets -

Other assets include land and buildings, furniture and equipment, capitalized software costs, and prepaid licensing expenses. Buildings are being depreciated over 20 years using the straight-line method. Furniture and equipment are being depreciated over 10 years using the straight-line method. Capitalized software costs are being depreciated over 5 years using the straight-line method. Depreciation expense during the nine months ended September 30, 2000, and the years ended December 31, 1999 and 1998 totaled \$626, \$321 and \$169 respectively. Prepaid licensing costs are depreciated using the straight-line method over the life of the related license.

Income Taxes -

The Company's operations and those of TAL and TFC are included in the Federal and state income tax returns of Transamerica under the terms of a tax sharing agreement. Pursuant to the tax sharing agreement, Transamerica utilizes net operating loss carryforwards generated by the Company and TAL. The Company records a deferred tax asset equal to the amount of the net operating losses utilized and earns interest income on these balances from TAL. This interest income is recorded net of interest expense on the accompanying statements of income and totaled \$1,173, \$2,488, and \$2,954 for the nine month period ended September 30, 2000 and the years ended December 31, 1999 and 1998.

Leasing Equipment -

Depreciation and amortization of leasing equipment, both equipment currently on-lease to customers and available for hire, are provided under the straight-line method based on the following useful lives:

Rail Trailers	13-1/2 years
Domestic Containers	12 years
Chassis	15 to 20 years

Gains or losses derived from the disposition of leasing equipment are recorded in the year of disposition.

The residual value of leasing equipment is estimated based on the projections for the economic value and market value of the respective intermodal equipment as well as the experience in leasing and selling similarly aged equipment. Such projected values are reviewed and updated when market and/or economic conditions change.

Concentration of credit risk -

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The Division extends credit to its customers after extensive credit evaluation. At September 30, 2000 and December 31, 1999 less than 1% of accounts receivable for operating leases were from customers outside of the United States.

In 2000, 1999 and 1998 the Company's top 20 customers represented approximately 84%, 87% and 88% respectively, of its consolidated divisional revenues.

Prospective accounting pronouncements -

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities. In June 1999, the FASB issued Statement No. 137, Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133. In June 2000, the FASB issued Statement 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of FASB Statement No. 133. Statement 133, as amended, establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative instrument's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative instrument's gains and losses to offset related results on the hedged item in the income statement, to the extent effective, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting.

Statement 133, as amended, is effective for fiscal years beginning after June 15, 2000. A company may also implement the Statement as of the beginning of any fiscal quarter after issuance (that is, fiscal quarters beginning June 16, 1998, and thereafter). Statement 133 cannot be applied retroactively. Statement 133 must be applied to (a) derivative instruments and (b) certain derivative instruments embedded in hybrid instruments. With respect to hybrid instruments, a company may elect to apply Statement 133, as amended, to (1) all hybrid instruments, (2) only those hybrid instruments that were issued, acquired, or substantively modified after December 31, 1997, or (3) only those hybrid instruments that were issued, acquired, or substantively modified after December 31, 1998. The Company has determined that it did not hold any derivative or hybrid instruments as defined by Statement 133.

Use of estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and the accompanying disclosures. The more significant estimates that impact these statements include such items as allocations of costs and expenses from TAL and TFC to the Company. In the opinion of management, the allocation of costs and expenses are reasonable; however, they are not necessarily indicative of costs and expenses that would have been incurred had the Company been operated as an unaffiliated entity. Although management believes these estimates to be reasonable, actual results could differ from those estimates.

(2) Leasing Activities:

As lessee -

As of September 30, 2000, the aggregate annual minimum rental commitments under

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operating leases having initial or remaining noncancellable terms in excess of one year are as follows:

2001	\$3,629
2002	\$2,075

The Company leases office space under rental agreements expiring at various dates into 2002. The remaining aggregate minimum commitments are as follows:

2001	\$205
2002	\$ 17

As Lessor -

As of September 30, 2000 the Company had noncancellable operating leases, under which it will receive future minimum rental payments as follows:

2001	\$24,456
2002	\$19,179
2003	\$ 8,942
2004	\$ 8,286
2005	\$ 5,584

(3) Allowance for doubtful accounts:

The following summarizes the activity in the allowance for doubtful accounts:

	2000	1999	1998
	-----	-----	-----
Balance, beginning of period	\$ 1,263	\$ 949	\$ 1,528
Provision charged to expense	3,494	530	--
Write-offs, net of recoveries	(3,465)	(216)	(579)
	-----	-----	-----
Balance, end of period	\$ 1,292	\$ 1,263	\$ 949
	=====	=====	=====

The allowance for doubtful accounts includes the Company's estimate of allowances necessary for receivables. As of September 30, 2000 and December 31, 1999, included in accounts receivable are non-performing receivables of \$371 and \$569, respectively.

(4) Advances from TAL and Divisional Equity:

The Company was dependent upon TAL for all financing of business operations. Historically, TAL has managed the leverage of the Company to a ratio of 6.5:1. As a result, advances from TAL and divisional equity on the accompanying balance sheets represent amounts calculated based on these established leverage ratios. Shareholders equity is increased by earnings of the Company and reduced by dividends to arrive at the 6.5:1 leverage ratio. Interest expense incurred on the advances from TAL totaled \$19,280, \$25,034, and \$26,633 for the nine month period ended September 30, 2000, and the years ended December 31, 1999 and 1998, respectively, and is recorded net of interest income earned from Transamerica under the terms of the tax sharing agreement on the accompanying income statements. The effective interest rates charged by TAL to the Company on these advances (which are based on TAL's average cost of funds) were 7.1%, 6.8%, and 6.9% for the nine month period ended September 30, 2000, and the years ended December 31, 1999 and 1998, respectively.

(5) Commitments and Contingencies:

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At September 30, 2000, the Division had outstanding purchase commitments for equipment of approximately \$14,958.

The Company is engaged in various legal proceedings from time to time incidental to the conduct of its business. In the opinion of management, the Company is adequately insured against the claims relating to such proceedings, and the ultimate liability arising out of such proceedings will not have a material adverse effect on the financial condition or results of operations of the Company.

(6) Cash Flow Information:

For the periods ended September 30, 2000, December 31, 1999 and 1998, cash paid for interest expense (net of interest earned from TAL in accordance with the tax sharing agreement) was approximately \$18,107, \$22,546 and \$23,679, respectively. No cash was paid for Federal or state income taxes during the periods ended September 30, 2000, December 31, 1999, and December 31, 1998.

(7) Income Taxes:

Significant components of deferred tax assets and liabilities were as follows:

	9/30/00 -----	12/31/99 -----
Deferred tax assets:		
Loss carry forwards	\$ 13,804	\$ 23,984
Deferred tax liabilities:		
Operating property, net	\$179,815 -----	\$180,638 -----
Net deferred tax liability	\$166,011 =====	\$156,654 =====

A reconciliation of the U.S. statutory tax rate to the actual tax rate follows:

	2000 -----	1999 -----	1998 -----
U.S. statutory rate	35.0%	35.0%	35.0%
State taxes	4.5%	4.2%	4.7%
Actual tax rate	39.5%	39.2%	39.7%

The provision for income taxes reflected in the accompanying statements of income is as follows:

	9 Months Ended 9/30/00 -----	Year Ended 12/31/99 -----	Year Ended 12/31/98 -----
U.S. Federal	\$ 7,596	\$ 15,727	\$ 12,156
State	1,761	2,375	1,932
	-----	-----	-----
	\$ 9,357	\$ 18,102	\$ 14,088
	=====	=====	=====
Current	\$ --	\$ --	\$ --
Deferred	9,357	18,102	14,088
	-----	-----	-----
	\$ 9,357	\$ 18,102	\$ 14,088
	=====	=====	=====

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(8) Employee Benefit Plans:

Transamerica had a savings plan for eligible employees. Under the employee savings plan, Transamerica contributed an amount equal to 75% of employee contributions up to a maximum of 6% of each employee's salary, or \$10,500 each year. Contributions are directed by the employees into investment funds maintained in accordance with the employee savings plan. Transamerica contributions charged to the Company's operations related to the Company's employees amounted to \$150 and \$160, and \$108 in 2000, and 1999, and 1998 respectively. The company also maintains a supplemental retirement plan program for all full-time eligible employees. Due to the over funded status of the Transamerica plan, no contributions were required by the Transamerica in 2000, and 1999, and 1998 respectively.

In addition, the Company maintained a bonus/incentive plan program for substantially all full-time employees. Transamerica expenses charged to operations associated with this program were \$641 and \$537, and \$323 in 2000, 1999, and 1998 respectively.

(9) Segment and geographic data:

9 Months ended September 30, 2000

	Chassis -----	Rail ----	Domestic Containers -----	Consolidated -----
(\$000's)				
Revenues from external customers	\$ 57,357	\$ 48,151	\$ 17,409	\$122,917
Lease operating & administrative expenses	21,573	21,589	589	43,751
Depreciation & amortization	13,689	16,878	8,891	39,458
Other income/(expense), net	1,172	1,058	(168)	2,062
Interest expense	8,382	7,361	2,364	18,107
Income before taxes	14,885	3,381	5,397	23,663
Leasing Equipment, net	302,100	166,901	107,007	576,008
Equipment purchases	38,672	15,886	22,728	77,286
Total segment assets	\$ 323,443	\$181,329	\$ 112,248	\$617,020

1999

Chassis -----	Rail ----	Domestic Containers -----	Consolidate -----
------------------	--------------	---------------------------------	----------------------

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(\$000's)

Revenues from external customers	\$ 67,231	\$ 76,713	\$ 21,941	\$ 165,885
Lease operating & administrative expenses	19,023	27,166	2,920	49,109
Depreciation & amortization	16,495	22,988	10,904	50,387
Other income/(expense), net	1,414	882	40	2,336
Interest expense	10,284	9,272	2,990	22,546
Income before taxes	22,843	18,169	5,167	46,179
Leasing Equipment, net	277,883	169,343	93,627	540,853
Equipment purchases	54,653	--	9,915	64,568
Total segment assets	\$ 299,217	\$ 190,075	\$ 97,112	\$ 586,404

1998

	Chassis	Rail	Domestic Containers	Consolidate
	-----	----	-----	-----
Revenues from external customers	\$ 60,453	\$ 82,288	\$ 21,612	\$ 164,353
Lease operating & administrative expenses	19,869	33,823	5,608	59,300
Depreciation & amortization	15,437	24,064	10,335	49,836
Other income/(expense), net	1,119	2,629	169	3,917
Interest expense	9,743	10,430	3,506	23,679
Income before taxes	16,523	16,600	2,332	35,455
Leasing Equipment, net	242,613	195,114	95,776	533,503
Equipment purchases	27,527	6,117	15,855	49,449
Total segment assets	\$ 257,058	\$ 214,128	\$ 95,895	\$ 567,081

(\$000's)

(10) Quarterly financial data (unaudited):

(\$000's)	1st	2nd	3rd	4th
	-----	-----	-----	-----
2000				
Revenues	\$40,588	\$41,118	\$41,211	N/A
Net Income	\$ 5,718	\$ 5,240	\$ 3,348	N/A
1999				
Revenues	\$39,774	\$40,090	\$41,259	\$44,762

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Net Income	\$ 6,293	\$ 6,120	\$ 6,759	\$ 8,905
1998				
Revenues	\$38,731	\$39,442	\$41,082	\$45,098
Net Income	\$ 3,105	\$ 4,753	\$ 5,473	\$ 8,036

(11) Subsequent Events:

In October 2000, Interpool Inc. completed its acquisition of the Company. Under the terms of the agreement, Interpool Inc. acquired substantially all of the domestic containers, chassis, and rail trailers of the Company and related assets and assumed certain of the liabilities of the business. Interpool Inc. paid approximately \$681,000 in cash for the acquisition, which includes \$8,400 in fees and other costs for advisors, of which \$1,650 is payable to a director of Interpool Inc. for consultation services rendered. The acquisition was financed through a combination of cash on hand, proceeds obtained from a committed secured financing facility in the amount of approximately \$300,000, as well as approximately \$101,000 of proceeds obtained from a chassis securitization facility established in July 2000.

In the acquisition, Interpool Inc. acquired approximately 70,000 chassis, 23,000 rail trailers, and 18,000 domestic containers. The acquisition was effective October 1, 2000 in a transaction accounted for under the purchase method of accounting, accordingly the acquired assets and liabilities have been recorded at the estimated fair values at the date of acquisition on the financial statements of Interpool Inc.

UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In the schedules below, we attempt to illustrate the financial results that might have occurred if Interpool's acquisition of Transamerica N.A. Intermodal had been completed previously. Presented are Unaudited Pro Forma Combined Condensed Consolidated Statements of Income for nine month period ended September 30, 2000 and year ended December 31, 1999 as if the acquisition had been consummated at the beginning of the each period presented. Also presented is the Unaudited Pro Forma Combined Condensed Consolidated Balance Sheet as of September 30, 2000 as if the acquisition had been consummated on the balance sheet date. These unaudited pro forma combined condensed consolidated financial statements should be read in conjunction with the historical consolidated financial statements of Interpool and related notes and "Management's Discussion and Analysis of Results of Operations and Financial Condition" contained therein, with respect to Interpool, in the Interpool's December 31, 2000 Annual Report on Form 10-K, as amended, and the Quarterly Report on Form 10-Q for the nine months ended September 30, 2000

It is important to remember that this information is hypothetical, and does not necessarily reflect the financial performance that would have actually resulted if the acquisition had been completed on the dates discussed. It is also important to remember that this information does not necessarily reflect future financial performance.

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INTERPOOL, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF INCOME
 FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2000 AND
 THE YEAR ENDED DECEMBER 31, 1999
 (dollars in thousands)

	Nine Month Period Ende		
	Interpool Historical	Transamerica N.A. Intermodal Historical	Less: Assets Held For Sale(1)
REVENUES:			
Leasing Revenues	\$ 196,348	\$ 122,917	\$ 65,560
COST AND EXPENSES:			
Lease operating expenses	27,075	31,396	18,348
Administrative expenses	36,612	10,055	3,830
Depreciation and amortization of leasing equipment	48,625	39,458	25,769
Other (income)/expense, net	1,344	238	(890)
Interest expense, net	46,842	18,107	
	160,498	99,254	47,057
Income before provision for income taxes and extraordinary items	35,850	23,663	18,503
PROVISION FOR INCOME TAXES	5,350	9,357	7,401
Income before change in accounting principle and extraordinary item	30,500	14,306	11,102
Cumulative effect of change in accounting principle, net of applicable taxes of \$440	660	--	--
Extraordinary gain on debt retirement, net of Applicable taxes of \$560	840	--	--
NET INCOME	\$ 32,000	\$ 14,306	\$ 11,102
NET INCOME PER SHARE (BASIC)	\$ 1.17	N/A	N/A
NET INCOME PER SHARE (DILUTED)	\$ 1.16	N/A	N/A

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INTERPOOL, INC.
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF INCOME
 FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2000 AND
 THE YEAR ENDED DECEMBER 31, 1999
 (dollars in thousands)

	Year Ended Dec		
	Interpool Historical	Transamerica N.A. Intermodal Historical	Less: Assets Held For Sale (1)
REVENUES:			
Leasing Revenues	\$ 217,840	\$ 165,885	\$ 98,654
COST AND EXPENSES:			
Lease operating expenses	44,798	36,707	25,362
Administrative expenses	29,050	12,402	4,724
Depreciation and amortization of leasing equipment	61,736	50,387	33,892
Other (income)/expense, net	2,628	(2,336)	(922)
Interest expense, net	54,357	22,546	
	192,569	119,706	63,056
Income before provision for income taxes and extraordinary items	25,271	46,179	35,598
PROVISION FOR INCOME TAXES	3,400	18,102	14,239
Income before change in accounting principle and extraordinary item	21,871	28,077	21,359
Extraordinary gain on debt retirement, net of applicable taxes of \$494	740	--	--
NET INCOME	\$ 22,611	\$ 28,077	\$ 21,359
NET INCOME PER SHARE (BASIC)	\$.82	N/A	N/A
NET INCOME PER SHARE (DILUTED)	\$.80	N/A	N/A

INTERPOOL, INC.
 UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS

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FOR THE PERIOD ENDED SEPTEMBER 30, 2000
(dollars in thousands)

	Interpool Historical -----	Transamerica N.A. Intermodal Historical -----	Pro Forma Adjustments -----
Assets:			
Cash and Marketable Securities	\$ 352,164	\$ --	(\$ 280,000) (1)
Revenue Earning Equipment, Net	948,451	576,008	66,500 (2) (279,186) (3)
Net Accounts Receivable	36,613	30,895	(5,900) (3)
Assets Held for Sale	--	--	16,284 (2) 285,086 (3)
Other Receivables, net	84,154	--	--
Investment in Direct Financing Leases	185,815	--	--
Other Investment Securities, at fair value	32,305	--	--
Other Assets	86,900	10,117	(1,883) (2)
	-----	-----	-----
Total Assets	\$ 1,726,402	\$ 617,020	(\$ 199,099)
	=====	=====	=====
Liabilities And Stockholders' Equity:			
Accounts Payable and Accrued Expenses	\$ 71,712	\$ 22,769	(\$ 5,848) (2)
Deferred Tax Liabilities	23,632	166,011	(166,011) (2)
Deferred Income	550	--	--
Debt and Capital Lease Obligations	1,222,775	371,131	(371,131) (4) 401,000 (4)
Company Obligated Redeemable Preferred Securities	75,000	--	--
Minority Interest in Equity of Subsidiaries	1,858	--	--
	-----	-----	-----
Total Liabilities	1,395,527	559,911	(141,990)
	-----	-----	-----
Stockholders' Equity:			
Common Stock	28	--	--
Additional Paid-in Capital	124,184	--	--
Treasury Stock	(1,170)	--	--
Retained Earnings	206,527	57,109	(57,109)
Accumulated Other Comprehensive Income	1,306	--	--
	-----	-----	-----
Total Stockholders' Equity	330,875	57,109	(57,109)
	-----	-----	-----
Total Liabilities And Stockholders' Equity	1,726,402	617,020	(\$ 199,099)
	=====	=====	=====

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Notes to Pro Forma Combined Condensed Consolidated Financial Statements (unaudited)

The Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations have been prepared to reflect the acquisition as if the acquisition occurred at the beginning of the period presented. The acquisition has been accounted for under the purchase method of accounting.

The following is a summary of the adjustment reflected in the Unaudited Pro Forma Combined Consolidated Statements of Income:

1. At the date of acquisition, it was the Intent of Interpool Inc. to sell the rail trailers and domestic containers acquired from Transamerica N.A. Intermodal. In January 2001, Interpool and TIP Intermodal Services (TIP) announced a definitive agreement for the sale of 50,000 rail trailers and domestic containers including all 41,000 rail trailers and domestic containers owned by Transamerica N.A. Intermodal prior at the time of acquisition. This sale was consummated on March 30, 2001. As such, Interpool accounted for these assets during the holding period as assets held for sale. Accordingly, the revenues and expenses related to the operations of the assets acquired from Transamerica N.A. Intermodal are eliminated from the operating results of Interpool Inc. and are added to the carrying value of the assets held for sale.
2. Represents adjustment to depreciation expense associated with the step up in basis of the assets acquired to fair value based upon the remaining useful life of the related equipment.
3. Represents the reversal of interest expense, net incurred by Transamerica N.A. Intermodal of \$18,107 and \$22,546 for the nine month period ended September 30, 2000 and the year ended December 31, 1999, respectively, and the addition of interest expense of \$26,016 and \$33,964 on debt incurred by Interpool Inc. related to the acquisition, less interest expense of \$18,166 and \$23,707 associated with the Transamerica N.A. Intermodal assets to be sold, which was capitalized to assets held for sale for the nine month period ended September 30, 2000 and the year ended December 31, 1999, respectively.
4. Represents the adjustment to reflect interest earnings on Interpool cash and cash equivalents which would have been foregone had the transaction been consummated at the beginning of the period presented.
5. Represents the adjustment to the tax provision based on the above adjustments to the statements of income based on the statutory rate of 40%.

The Unaudited Pro Forma Combined Condensed Consolidated Balance Sheet was prepared to reflect the Acquisition as of September 30, 2000.

The following is a summary of the adjustments reflected in the Unaudited Pro Forma Combined Consolidated Balance Sheet:

In October 2000, Interpool Inc. completed its acquisition of Transamerica N.A.

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Intermodal. Under the terms of the agreement, Interpool Inc. acquired substantially all of the domestic containers, chassis, and rail trailers of Transamerica N.A. Intermodal and related assets assumed certain of the liabilities of the business. Interpool Inc. paid approximately \$681 million in cash for the acquisition, which includes \$8.4 million in fees and other costs for advisors, of which \$1.65 million is payable to a director of Interpool Inc. for consultation services rendered. The acquisition was financed through a combination of cash on hand, proceeds obtained from a committed secured financing facility in the amount of approximately \$300 million as well as approximately \$101 million of proceeds obtained from a chassis securitization facility established in July 2000.

1. Represents the cash on hand used by Interpool, Inc. to acquire Transamerica N.A. Intermodal.
2. Represents the adjustment of the assets and liabilities acquired by Interpool Inc. to their fair values, which includes the write up of revenue earning equipment by \$66.5 million, the write down of other assets of Transamerica N.A. Intermodal of \$1.8 million (primarily capitalized software costs), and the elimination of accrued liabilities and deferred tax liabilities maintained by Transamerica N.A. Intermodal, not assumed by Interpool of \$5.8 million and \$166 million, respectively.
3. At the date of acquisition, it was the Intent of Interpool Inc. to sell the rail trailers and domestic containers acquired from Transamerica N.A. Intermodal. In January 2001, Interpool and TIP Intermodal Services (TIP) announced a definitive agreement for the sale of 50,000 rail trailers and domestic containers including all 41,000 rail trailers and domestic containers owned by Transamerica N.A. Intermodal prior to the acquisition. The amounts shown in the above pro forma balance sheet represent the reclassification of assets at their fair value (anticipated sale price) (comprised of the rail trailers and domestic containers at \$279.2 million and \$5.9 million of related accounts receivable). In addition, an additional \$16.3 million of the purchase price was capitalized to assets held for sale which represents the estimated net results of operations of the Transamerica N.A. Intermodal rail trailers and domestic containers to be sold, from October 1, 2000 through March 31, 2001 (the estimated date of sale of the equipment).
4. Represents the elimination of \$372.7 million of advances from TAL to Transamerica N.A. Intermodal not assumed by Interpool Inc. and the debt of \$401 million incurred by Interpool Inc. in financing the acquisition.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 3, 2001

INTERPOOL, INC.

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By: _____

Name: Mitchell Gordon
Title: Chief Financial Officer

EXHIBIT INDEX

- 2.1 Asset Purchase Agreement, dated as of July 27, 2000, by and between Interpool, Inc. and Transamerica Leasing Inc.(incorporated herein by reference to the Form 8K filed on November 2, 2000)
- 2.2 Amendment No.1 to the Asset Purchase Agreement, dated as of October 24, 2000, by and between Interpool, Inc. and Transamerica Leasing Inc. (incorporated herein by reference to the Form 8K filed on November 2, 2000)

- 99.1 Press Release issued by the Interpool, Inc., dated October 24, 2000.