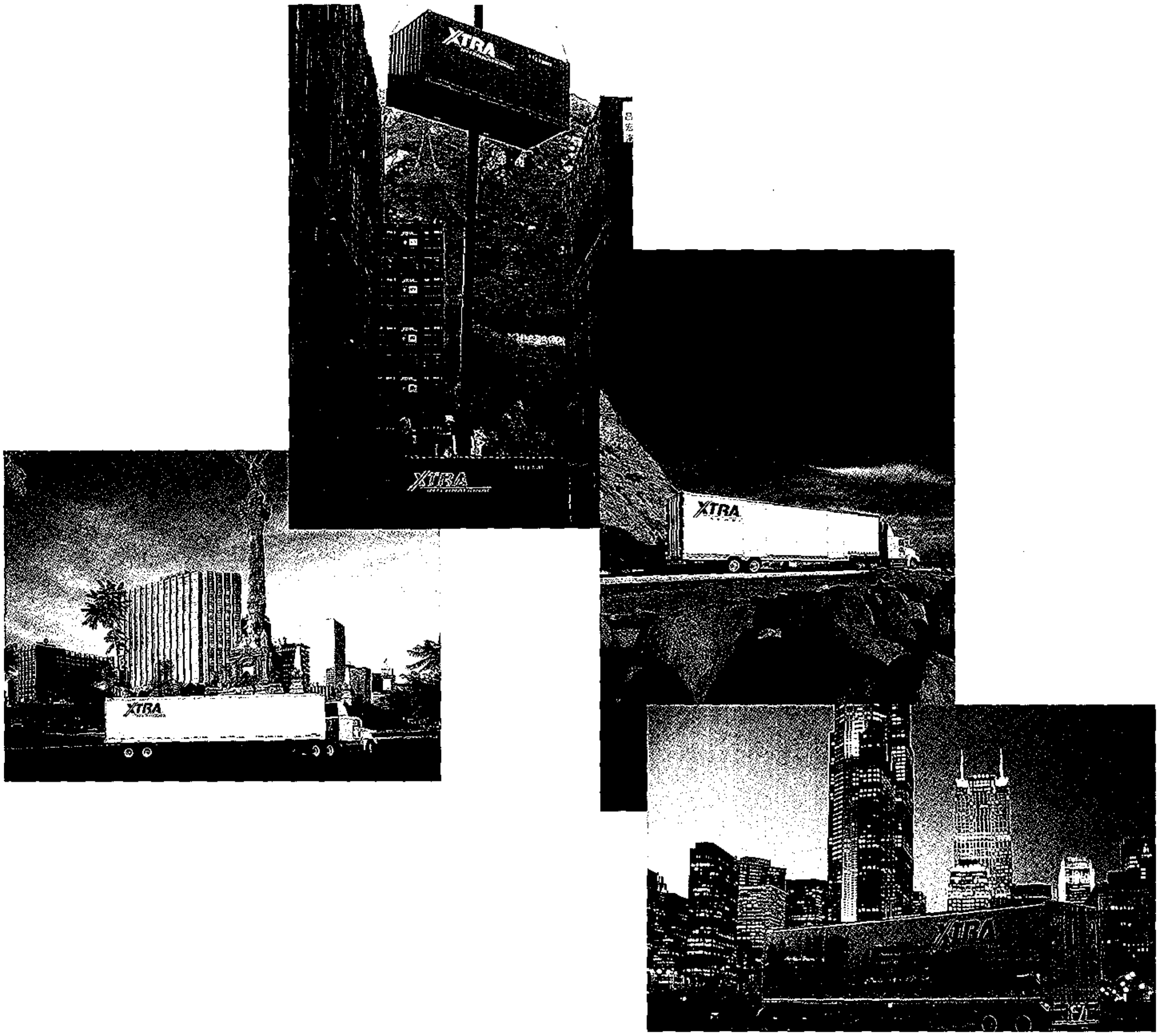
XTRA CORPORATION



1997 ANNUAL REPORT

FIVE YEAR SELECTED FINANCIAL DATA

Year ended September 30, (Millions of dollars except per share amounts)	1997	1996	1995	1994	1993
Operations					
Revenues	$ 435	$ 422	$ 378	$ 355	$ 329
Cash provided from operations	269	272	237	233	196
Capital expenditures (including equipment acquired under operating leases)[1]	249	210	699	236	410
Income before income taxes	71	69	98	98	72
Net income	43	41	57	58	38[2]
Per Share Information					
Fully diluted earnings per share	$ 2.77	$ 2.56	$ 3.39	$ 3.38	$2.09[2]
Dividends declared per share	$ .78	$ .70	$ .62	$ .54	$ .46
Financial Position					
Total assets	$1,585	$1,537	$1,516	$1,005	$ 858
Total debt and redeemable preferred stock	892	892	898	444	388
Total stockholders' equity	360	342	359	331	280

(1) Includes capital expenditures for acquisitions. See Note 2 of the Notes to Consolidated Financial Statements.

(2) Includes the effect of the Revenue Reconciliation Bill of 1993 which raised the federal corporate tax rate from 34% to 35%. The Company restated the deferred tax liabilities and assets to reflect the higher rate, recording additional tax expense of approximately $5 million.

In fiscal year 1997, XTRA Corporation celebrated its fortieth year as a leader in the freight transportation equipment leasing business. We would like to thank you, our shareholders, for your continued support. We will continue to strive for excellence, proving that your confidence in XTRA and its management team is well founded.

While challenging conditions for freight transportation companies continued in fiscal year 1997, XTRA maintained strong cash flows, a strong balance sheet, significant market positions, and favorable circumstances for opportunistic growth. XTRA's North American operating environment showed strong signs of improvement during the year, with healthier U.S., Canadian, and Mexican economies leading to increased demand, higher freight levels, and stronger equipment utilization. At the same time, the international container environment continued to be difficult. The industry over-capacity of marine containers, as well as consolidations among certain shipping lines, resulted in more efficient use of owned equipment, contributing to a decline in container utilization from the prior year. Additionally, the price of new containers continued to decline throughout the year. These industry factors exerted strong downward pressures on marine container lease rates. Fortunately, the utilization trend was positive for the last six months of the year, leading to guarded optimism about fiscal 1998.

Throughout 1997, XTRA Corporation continued to manage its business investments with long-term value constantly in mind. We rely on our three-part strategy to enhance shareholder value, focusing on internal growth of existing businesses, external growth through acquisitions, and common stock repurchases.

- In 1997, we invested $249 million in equipment, of which $193 million was for domestic over-the-road trailers. Many of these trailers were added to the fleet in the fourth quarter of fiscal 1997, which positions XTRA to take advantage of the market opportunities and the seasonal strength in demand in the first quarter of fiscal year 1998.
- We explored several acquisition opportunities in 1997 and continue to search for logical ways to streamline and consolidate our operations, striving for efficiency and economies of scale.
- XTRA repurchased $13 million in common stock in fiscal year 1997, bringing the total amount repurchased by the Company since January 1995 to $79 million under the Board of Directors' authorization to repurchase up to $200 million common shares.

In late fiscal 1996, XTRA adopted Economic Value Management (EVM) as a measurement tool to evaluate both Company and divisional performance and to support our strategy for improved shareholder value. EVM is a financial discipline which links managers' financial rewards to the Company's economic value growth. Investment decisions are made based on their contribution to the Company's overall economic profit. Use of this management tool ensures that we only invest in projects whose return exceeds XTRA's cost of capital.

Overall, 1997 was a year in which your company achieved significant progress. Market conditions in each of the Company's operating businesses improved during the year and the earnings momentum is positive. The Company's achievement has been reflected in the increase in XTRA's stock price. XTRA's stock price rose by 34% in fiscal 1997.

Financial Performance

Net income per share increased to $2.77, compared to $2.56 per share in 1996, an 8% increase. Due to stock repurchases, fewer shares were outstanding during 1997.

XTRA's revenues are primarily affected by equipment utilization, which increased 3% in fiscal year 1997 to average 84%. In 1997, North American utilization increased to 85% from 81% in 1996 and International utilization declined 2% to 79%.

The Company experienced modest revenue growth in fiscal 1997, increasing revenues $13 million to $435 million. The additional revenue was mainly generated by our North American operations, which grew $12 million to $359 million, primarily due to higher equipment utilization and improving lease rates. International operations contributed $76 million to total revenues, increasing $1 million from 1996. While our revenues increased, we experienced higher storage and repositioning costs for idle marine containers throughout the fiscal year.

XTRA Corporation's North American Operations

Over-the-Road Trailers

XTRA Corporation is one of the two largest highway trailer lessors in North America, capturing in excess of 25% of the leasing market. We are also the largest supplier of storage trailers. XTRA Lease, our largest business unit, and XTRA Mexico, our smallest, provide a wide variety of over-the-road and storage trailers to truckers, private carriers, and logistics companies throughout North America. Combined, these two units contributed 60% of the Company's total revenue in 1997.

In fiscal year 1997, we invested $193 million for North American over-the-road equipment and by year end, operated a fleet of 78,000 units with a net investment of $718 million.

Fiscal year 1997 was a strong year for over-the-road trailer leasing. The U.S., Canadian, and Mexican economies continued to grow, as did consumer confidence. Just-in-time inventory management kept retail inventories low, while sales grew, increasing demand for transportation equipment. Freight demand for over-the-road equipment rebounded from lower 1996 levels. Utilization increased 4% to average 88%. Tightening rental capacity has also led to industry-wide lease rate improvement.

We intend to remain an industry leader in the over-the-road market and we believe that improved market conditions in fiscal year 1998 will assist us in achieving that goal. Economic forecasts indicate that U.S., Canadian, and Mexican economies will continue to grow at a slow, steady pace.

Intermodal

XTRA Intermodal leases three types of equipment: intermodal trailers, chassis, and domestic containers. Customers are primarily North American railroads and global steamship lines. This division contributed 22% of XTRA Corporation's total revenues in fiscal year 1997. At September 30, 1997, XTRA Intermodal operated a total fleet of 56,000 units.

Intermodal Trailers

We are the second largest lessor of intermodal trailers, with an estimated market share of 25%. In 1997, the railroads continued to ship greater proportions of freight in containers than in trailers. We reduced our intermodal trailer fleet size by 7% in 1997 to respond to this trend. Given the overall demand for intermodal trailers and the expected continued trend toward containers from trailers, we believe our fleet is appropriately sized. Utilization improved to average 82% in 1997, compared to 76% in 1996. We do not currently foresee any significant additions to or reductions in the intermodal trailer fleet for fiscal year 1998.

Chassis

XTRA is the fifth largest lessor of chassis in North America, with an estimated market share of 8%. At September 30, 1997, the fleet size decreased slightly to 23,000 units from the 1996 level of 24,000 units. Utilization averaged 84% in 1997, as compared to 80% in 1996.

XTRA continues to use its chassis management system to focus on value-added neutral chassis pools, which are managed chassis fleets located at railroad and port terminals. Chassis pools are desirable because leased equipment can be substituted for carrier-owned equipment to improve the carriers' asset utilization and reduce their redundant expenses.

Domestic Containers

XTRA Intermodal is the third largest lessor of domestic containers, with an estimated market share of 16%. In 1997, we increased our domestic container fleet by approximately 2,200 units, or 29%, representing the first increase in our domestic container fleet in 7 years. The new units were purchased and immediately leased on a long-term basis. We continue to retire or refurbish old units as they come off-hire. Aggressive pricing policies pervade the domestic container market. Until pricing improves and a deeper operating lease market develops, we do not anticipate significant additional investment in this product line.

XTRA Corporation's International Operations

Marine Containers

XTRA International leases marine containers globally. In fiscal year 1997, XTRA International contributed 18% of XTRA's overall revenues. The Company is one of the top ten lessors of marine containers. In 1997, XTRA's fleet size increased by 7%. Equipment utilization declined to 79% from 81% in 1996.

The marine container leasing industry benefits from heavy trade imbalances. In 1997, however, more balanced U.S. trade with Asia existed, which negatively impacted equipment utilization. The supply of marine containers far exceeded demand and new container prices declined steadily. Our customers, the steamship lines, continued to consolidate. These factors contributed to carriers purchasing additional new equipment and using owned equipment more efficiently, leading to lower leased container utilization. Industry overcapacity also created a continual downward pressure on lease rates.

We expect the marine container leasing market to remain extremely competitive in 1998, with only modest near-term improvement from 1997 year-end conditions. We anticipate that the customer base will continue to consolidate through mergers and the formation of strategic alliances. In response to these conditions, we foresee a continuing trend toward leasing company consolidation to achieve the necessary economies of scale to compete in this environment. As opportunities arise, we are prepared to consider participating in this consolidation.

Capital Strategy and Financing

Total capital spending in 1997 was $249 million, $39 million higher than 1996. In late 1997, we accelerated some capital spending originally targeted for 1998, allowing us to take advantage of strong demand for over-the-road trailers and to avoid higher expected costs in 1998. As a result, we anticipate capital expenditures to be significantly less in 1998. Our expectations may change if business conditions remain conducive to additional capital spending.

XTRA continues to maintain strong investment grade ratings and a solid balance sheet. These factors enabled XTRA to issue $72 million in medium term notes during 1997. These notes have a weighted average life of 11 years, with an average interest rate of 7.6%.

At year-end, the Company's debt to equity ratio was 2.5 to 1.0, within our long-term target range of 2.5 – 3.0 to 1.0. The Company's balance sheet is strong and appropriately leveraged, which enables us to borrow at attractive rates and offers XTRA significant financial flexibility. The Company seeks to maintain a level of leverage that balances our concurrent needs to maximize shareholder value, maintain investment grade credit ratings, and maintain adequate flexibility for acquisitions. 1997 cash flow from operations remained at a healthy level of $269 million, providing further evidence of our strong financial position.

XTRA is a leader in freight transportation equipment leasing. Despite a challenging 1997, we improved our North American performance compared to 1996 and overall utilization climbed 3% above 1996 levels. While our business is cyclical, we look forward to 1998 as the positive period of the business cycle unfolds. Our balance sheet and cash flows are strong, our market positions are significant, and we are well positioned for opportunistic growth.

For 1998, we anticipate that the performance of our over-the-road business will continue to improve, with freight demand increasing as North American economies continue to grow. The intermodal business, including intermodal trailers, chassis, and domestic containers will remain steady, representing a stable source of cash flow. In the short term, our international business will remain difficult. It appears that the cyclical bottom may have been reached and we are optimistic about improvement in 1998. Global forecasts continue to project significant growth in international trade. This should create a more favorable environment for sustained long-term growth in our marine container business.

We will continue to manage for shareholder value with our three-part strategy, supported by Economic Value Management. EVM provides a solid framework within which we make all of our investment decisions, enabling us to maximize your investment's value.

We wish to welcome Mr. Michael D. Bills, our newest member of the Board of Directors. Mr. Bills, Senior Managing Director of Tiger Management Corporation, XTRA's largest shareholder, was elected to the Board on August 5, 1997. We are pleased to have him on our team.

Finally, we would like to take this opportunity to thank the hard working, very professional people who comprise the XTRA team. These talented individuals are the driving force behind XTRA's success. Without their dedication and expertise, XTRA would not be the industry leader it is today.

Sincerely,

Robert B. Goergen
Chairman

Lewis Rubin
President and Chief Executive Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K*

ANNUAL REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 1997

COMMISSION FILE NUMBER 1-7654

XTRA Corporation (Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation or organization)

06-0954158
(I.R.S. employer identification number)

60 STATE STREET
BOSTON, MASSACHUSETTS 02109
(Address of principal executive offices)

(617) 367-5000
(Registrant's telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	*Name of exchange on which registered*
Common Stock, Par Value $.50 per Share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: none

Shares Outstanding of the Registrant's Common Stock at November 12, 1997: 15,282,700
Aggregate market value of voting stock held by non-affiliates of the registrant at November 12, 1997: $775,000,000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety days. Yes ✓ No __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ✓.

Portions of the Registrant's Annual Report to Stockholders for the fiscal year ended September 30, 1997, of which this Form 10-K is a part, are incorporated by reference in Parts I, II and IV. Portions of the Registrant's definitive Proxy Statement for use at the 1998 Annual Meeting of Stockholders are incorporated by reference in Part III.

*Exhibits to Form 10-K and Parent Company Financial Statements and Schedules have been included only in copies of the Form 10-K filed with the Securities and Exchange Commission.

A copy of this Form 10-K, including a list of exhibits and the Parent Company Financial Statements and Schedules, is available free of charge to stockholders upon written request to: Vice President and Chief Financial Officer, XTRA Corporation, 60 State Street, Boston, Massachusetts 02109. In addition, upon similar request, copies of individual exhibits will be furnished upon payment of a reasonable fee.

FORM 10-K TABLE OF CONTENTS
XTRA Corporation and Subsidiaries

Item 1. Business

XTRA Corporation (the "Company" or "XTRA") leases, primarily on an operating basis, freight transportation equipment including over-the-road trailers, marine containers, intermodal trailers, chassis, and domestic containers. XTRA leases over-the-road and intermodal equipment throughout North America, predominantly within the United States, to contract and common carriers, railroads, and private fleet owners. In addition, the Company leases marine containers worldwide to steamship lines. Customers lease equipment primarily to cover cyclical, seasonal, and geographical shortages and as a substitute for purchasing. The choice of equipment used is influenced by lease rates, terms, availability, condition, and size of equipment, as well as other factors.

XTRA's equipment utilization, lease rates, and therefore, profitability, are impacted by the level of economic activity in North America, world trade activity, the supply of and demand for available equipment, the actions of its competitors and other factors in the freight transportation industry. Utilization and profitability are usually seasonally lower in the second and third fiscal quarters than in the first and fourth fiscal quarters. In general, the Company's receivable collection experience has been good. However, industry downturns tend to lengthen the collection period of certain receivables.

Lease Types and Rates

The Company leases its equipment on both a per diem and term basis. Per diem leases are for an initial period of less than one year and allow the customer to return the equipment without notice, although some per diem leases limit the amount and locations of equipment termination. Term leases provide for an initial period of one year or greater, generally one to five years. Lease rates depend upon the type of lease, length of term, maintenance provided, and the type and age of the equipment. Customers are generally responsible for damage to the equipment and for ordinary maintenance, although full-service leases are offered on some equipment types.

Equipment Fleet

The Company's equipment fleet has increased through purchases of new equipment and through fleet acquisitions of other leasing companies. The new equipment, supplied by a number of manufacturers, is built to the Company's specifications and reflects industry standards and customers' needs. The Company's fleet size and net investment includes equipment owned by the Company, equipment leased-in from third parties under operating and capital leases, and equipment leased to third parties under finance leases.

The Company's fleet consisted of the following units and net investment at the end of its last five fiscal years:

	Units in thousands				
Equipment Fleet[1]	1997	1996	1995	1994	1993
Over-the-road trailers	78	75	76	69	65
Marine containers	162	152	126	–	–
Intermodal trailers	23	24	29	34	33
Chassis	23	24	21	16	15
Domestic containers	10	8	8	8	8
Total	296	283	260	127	121

	Millions of dollars				
Equipment Fleet[1]	1997	1996	1995	1994	1993
Over-the-road trailers	$ 718	$ 632	$ 628	$508	$446
Marine containers	414	419	373	–	–
Intermodal trailers	168	197	237	235	201
Chassis	112	119	107	70	63
Domestic containers	41	36	42	47	53
Net investment	$ 1,453	$1,403	$1,387	$860	$763

(1) For purposes of this presentation, the net investment in equipment leased to the Company on an operating basis represents the present value of the remaining lease payments. The net investment in revenue equipment leased to customers under finance leases as well as equipment owned by the Company or leased to the Company under capital leases represents the net carrying value of this equipment. The significant increase in fleet units and net investment in equipment in 1995 was primarily due to the Company's acquisition of Matson Leasing Company, Inc. See Note 2 of the Notes to Consolidated Financial Statements for information relating to acquisitions.

For information regarding business information by geographic area, see Note 8 of the Notes to Consolidated Financial Statements. For additional information, including financing and capital expenditures, see Management's Discussion and Analysis of Financial Condition and Results of Operations. Such information is incorporated herein by reference.

Over-the-Road Trailers

XTRA's over-the-road fleet of 78,000 units, mostly dry cargo vans, consists primarily of units 48' and 53' long by 102" wide. This equipment is leased to common carriers and private fleet owners. Approximately 40% of the trailer fleet was leased on a term basis at the end of fiscal 1997, with the balance available for lease on a per diem basis.

Marine Containers

The Company's marine containers are standard, dry cargo 20' and 40' steel containers leased primarily to steamship lines for transporting freight on ships worldwide. XTRA's fleet consists of 162,000 units or 226,000 twenty-foot equivalent units (TEUs), an industry measure of fleet size. Approximately 41% of XTRA's marine container fleet was leased on a term basis at the end of fiscal 1997, with the remainder of the fleet available for lease on a per diem basis. Most per diem leases limit the amount and locations of equipment termination.

Intermodal Trailers

Intermodal trailers are designed to be carried on rail flatcars, pulled by tractor over the highway and, to a lesser extent, transported by water carriers on ships and barges. The Company's intermodal trailer fleet of 23,000 units consists primarily of units 45' and 48' long by 102" wide. The Company's intermodal trailers are leased primarily to North American railroads and water carriers. Approximately 28% of the intermodal trailer fleet was leased on a term basis at the end of fiscal 1997 with the remainder of the fleet available for lease on a per diem basis.

Chassis

Chassis are wheeled rectangular frames used to transport containers over the highway. Marine chassis are generally 20' or 40' in length to accommodate marine containers. Domestic chassis are generally 48' or 53' in length and handle domestic containers. XTRA's marine and domestic chassis are used as transport vehicles for marine and domestic containers which are loaded or unloaded at shipyards, rail terminals, or consignee locations. The Company's fleet of 23,000 units consists primarily of marine chassis and is leased to steamship lines, railroads, and motor carriers. Approximately 62% of the chassis fleet was leased on a term basis at the end of fiscal 1997 with the balance available for lease on a per diem basis.

Domestic Containers

Domestic containers are boxes used to transport freight via rail on railcars or highway on chassis within North America. These containers are a substitute for intermodal and over-the-road trailers, particularly on long-haul, heavy volume routes. XTRA's fleet of approximately 10,000 units consists primarily of 48' long by 102" wide units leased to North American railroads and other domestic freight carriers. Approximately 69% of the Company's domestic container fleet was leased on a term lease basis at the end of fiscal 1997, with the balance available for lease on a per diem basis.

Competition

Leasing transportation equipment is a highly competitive business and is affected by factors related to the freight transportation market. Lease terms and lease rates, as well as availability, condition, and size of equipment are all important factors to the lessee. In addition, various types of transportation equipment compete for freight movement. Over-the-road trailers, intermodal trailers, marine and domestic containers, and railroad rolling stock are all potential vehicles for the movement of freight.

XTRA is one of the two largest North American lessors of over-the-road trailers with in excess of 25% of the leasing fleet. Its principal competitor has a similarly sized fleet. Recent estimates place the number of over-the-road trailers available for lease in North America at approximately 265,000.

At the end of fiscal 1997, the world's marine container leasing fleet is estimated at approximately 5 million TEUs. XTRA believes it is one of the ten largest marine container lessors in the world. The two largest lessors account for approximately half of the leasing market.

The Company believes that the North American intermodal trailer fleet has decreased slightly over the last five years to approximately 94,000 trailers at the end of fiscal 1997. Some industry analysts believe that demand will continue to decrease over the long-term. The Company monitors the size of the North American fleet relative to current and expected future demand and bases its trailer acquisition and disposition decisions, in part, on these factors. XTRA believes it is the second largest North American lessor of intermodal trailers, with approximately 25% of the leasing fleet.

XTRA believes it is the fifth largest North American chassis lessor with approximately 8% of the leasing fleet. The Company believes it is the third largest lessor of domestic containers with approximately 16% of the leasing fleet.

Locations and Operations

XTRA's North American equipment is leased from equipment pools operated by Company employees at 95 locations. The marine container operations are managed by 14 Company offices and 7 agency locations, which utilize 137 independent depot locations worldwide to store and maintain equipment.

Employees

The Company had 876 employees at September 30, 1997.

Corporate Organization

The Company was organized in 1957. XTRA's corporate management offices are located at 60 State Street, Boston, Massachusetts 02109-1826 (telephone number (617) 367-5000).

XTRA, Inc., a wholly-owned direct subsidiary of XTRA Corporation, owns substantially all of the Company's transportation equipment and conducts the Company's leasing business through certain of its subsidiaries pursuant to management service agreements.

Item 2. Properties

The Company maintains 95 facilities for the storage and distribution of its over-the-road and intermodal equipment throughout North America, occupying 701 acres, of which 390 are owned. These facilities generally occupy 2 to 16 acres. The marine container business is managed through 14 offices worldwide.

Item 3. Legal Proceedings

The Illinois Environmental Protection Agency has notified the Company of alleged environmental contamination of XTRA's Fairmont City, Illinois property which resulted from the prior owner's zinc smelting operations. The Company has had initial discussions with the successors in interest currently responsible for the liabilities of the prior owner about participation in an investigation and cleanup of the facility under the Illinois voluntary remediation program. Based upon the Company's current understanding of the nature of the contamination, the Company believes that the resolution of this matter will not have a material impact on the Company's results of operations, cash flows or financial condition.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to stockholders of the Company during the fourth quarter of 1997.

Item 4A. Executive Officers of the Registrant

The executive officers of the Company, the age of each, and the period during which each has served in his present office are as follows:

Lewis Rubin (59) – President and Chief Executive Officer. Mr. Rubin was President and Chief Executive Officer of Flexi-Van Corporation, a company engaged in the leasing of intermodal transportation equipment, from 1981 to 1983. He served as President and Chief Executive Officer of Gelco CTI Container Services, a subsidiary of Gelco Corporation, and as an Executive Vice President of Gelco Corporation from 1984 to 1988. Mr. Rubin was elected President and Chief Operating Officer of the Company in 1990. He was elected to his present position in 1990.

Robert B. Blakeley (37) – Vice President and Controller. Mr. Blakeley joined the Company in 1984, was promoted to Assistant Controller in 1987 and was elected Controller and Chief Accounting Officer in 1991. Mr. Blakeley was elected to his present position in 1996.

Jeffrey R. Blum (45) – Vice President, Administration and Human Resources. Mr. Blum joined the Company in 1995 as Vice President of Human Resources and was elected to his current position in 1996. Prior to 1995, Mr. Blum served in similar capacities at First Winthrop Corporation from 1993 to 1995 and Signal Capital Corporation prior to 1993.

Michael K. Fox (51) – Vice President, XTRA Intermodal. Mr. Fox joined the Company in 1981 and has held several managerial positions. He was elected Divisional Executive Vice President, XTRA Intermodal in 1993. He was elected to his present position in 1994.

William H. Franz (46) –Vice President, XTRA Lease. Mr. Franz was previously employed by two large over-the-road lessors, Transport International Pool and Strick Lease. He joined the Company in 1992 and was elected to the position of Divisional Executive Vice President, XTRA Lease in 1993. He was elected to his present position in 1993.

Frederick M. Gutterson (55) – Vice President, XTRA International. Mr. Gutterson had been President and Chief Executive Officer of Matson Leasing Company, Inc. since its inception in 1989. He was elected to his present position in 1995 following the Matson acquisition.

Christopher P. Joyce (36) – Vice President and Treasurer. Mr. Joyce joined the Company in 1985. He was promoted to Assistant Treasurer in 1991 and was elected Treasurer in 1993. Mr. Joyce was elected to his present position in 1996.

James R. Lajoie (57) – Vice President, General Counsel and Secretary. Mr. Lajoie joined the Company as General Counsel in 1981. He was elected Vice President and General Counsel in 1987 and was elected to his present position in 1990.

Michael J. Soja (48) – Vice President and Chief Financial Officer. Mr. Soja joined the Company as Assistant Controller in 1974, was elected Controller in 1978 and Vice President in 1979. He was elected Vice President, Finance and Administration in 1981 and Vice President, Finance and Treasurer in 1990. Mr. Soja was elected to his present position in 1990.

All terms of office expire as of the date of the Board of Directors' meeting following the next Annual Meeting of Stockholders and until their respective successors are elected and qualified.

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company's Common Stock is listed on the New York Stock Exchange and trades under the symbol "XTR". The approximate number of record holders as of November 12, 1997 was 786. The following table sets forth the range of high and low sale prices of the Company's Common Stock on the New York Stock Exchange Composite Tape and dividends declared during fiscal years ended September 30, 1996 and 1997.

		High	Low	Dividends Declared
1996:	First Quarter	\$44 3/4	\$41 5/8	\$.16
	Second Quarter	46 3/4	39 3/4	.18
	Third Quarter	47 3/8	44 1/4	.18
	Fourth Quarter	45 7/8	40 1/2	.18
1997:	First Quarter	47 1/8	40 1/8	.18
	Second Quarter	43 3/4	40 1/2	.20
	Third Quarter	49	41 1/4	.20
	Fourth Quarter	57 1/4	42	.20

The Company has paid quarterly cash dividends on its Common Stock since January, 1977. Future dividends will be determined by the Board of Directors and will be dependent upon the earnings, financial condition, and cash requirements of the Company and other relevant factors existing at the time.

The Company's sources of funds for the payment of dividends on its capital stock are advances and dividends from its direct and indirect wholly-owned subsidiaries, including XTRA, Inc. The primary sources of funds for XTRA, Inc. are cash flows from operations, advances from its subsidiaries, and external financing. The Company's loan agreements contain covenants that restrict the payment of dividends or repurchases of common stock by the Company and certain loan agreements contain covenants that restrict advances to and payment of dividends to the Company by its subsidiaries, including XTRA, Inc. Under the most restrictive provisions of the Company's loan agreements, the repurchase of common stock and/or the amount of cash dividends which could be paid on the Company's capital stock was limited to \$110 million at September 30, 1997.

Item 6. Selected Financial Data

This information is set forth in the table appearing on page 1 of the Company's 1997 Annual Report, which table is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this item appears in the Company's 1997 Annual Report beginning at page 22 and is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

For the Financial Statements and Supplementary Data for XTRA Corporation and its subsidiaries, see Index to Financial Statements on page 18 of the Company's 1997 Annual Report, which Financial Statements and Supplementary Data are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable.

Item 10. Directors and Executive Officers of the Registrant

(a) Directors – Information with respect to all directors may be found in the Company's definitive Proxy Statement for the 1998 Annual Meeting of Stockholders (the "1998 Proxy Statement") under the caption "Information with Respect to Director Nominees," which is to be filed with the Securities and Exchange Commission. Such information is incorporated herein by reference.

(b) Executive Officers – Information with respect to executive officers of the registrant appears in Item 4A of this Report on Form 10-K.

Item 11. Executive Compensation

This information is contained in the 1998 Proxy Statement under the captions "Executive Compensation Tables" and "Compensation of Directors." Such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

This information is contained in the 1998 Proxy Statement under the captions "Stock Ownership by Directors and Executive Officers" and "Beneficial Ownership of More Than Five Percent of Voting Securities." Such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

This information is contained in the 1998 Proxy Statement under the captions "Information with Respect to Director Nominees" and "Certain Transactions." Such information is incorporated herein by reference.

PART IV.

Item 14. Exhibits, Financial Statement Schedule and Reports on Form 8-K

(a) Required exhibits are included only in the Form 10-K filed with the Securities and Exchange Commission.

(b) The Company filed a Current Report on Form 8-K, dated November 19, 1997, which disclosed certain financial information for the fiscal fourth quarter ended September 30, 1997.

(c) For Financial Statements and Schedule, see Index to Financial Statements on page 18 of the Company's 1997 Annual Report, which Financial Statements and Schedule are incorporated herein by reference.

Signatures

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

XTRA Corporation
(Registrant)
By /s/ Lewis Rubin
President and Chief Executive Officer

November 13, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	*Title*	*Date*
/s/ Robert B. Goergen	Chairman of the Board of Directors	November 13, 1997
/s/ Robert M. Gintel	Vice Chairman of the Board of Directors	November 13, 1997
/s/ Lewis Rubin	President, Chief Executive Officer and Director	November 13, 1997
/s/ Michael J. Soja	Vice President and Chief Financial Officer	November 13, 1997
/s/ Robert B. Blakeley	Vice President and Controller	November 13, 1997
/s/ Michael D. Bills	Director	November 13, 1997
/s/ H. William Brown	Director	November 13, 1997
/s/ Herbert C. Knortz	Director	November 13, 1997
/s/ Francis J. Palamara	Director	November 13, 1997
/s/ Martin L. Solomon	Director	November 13, 1997

Parent and Subsidiaries*

Name	State or Province of Incorporation
XTRA Corporation	Delaware
Subsidiary of XTRA Corporation	
XTRA, Inc.	Maine
Subsidiaries of XTRA, Inc.	
XTRA Intermodal, Inc.	Delaware
XTRA International Ltd.	Delaware
XTRA Mexicana, S.A. de C.V.	Mexico
Distribution International Corporation	Delaware
Subsidiaries of Distribution International Corporation	
Strick Canada Limited	Ontario
XTRA Lease, Inc.	Delaware

*Certain inactive subsidiaries have been omitted.

INDEX TO FINANCIAL STATEMENTS
XTRA Corporation and Subsidiaries
(Information required by Part II, Items 7 and 8 and Part IV, Item 14 of Form 10-K)

*The Parent Company financial statements have been included in the Form 10-K filed with the Securities and Exchange Commission and have been omitted from this Annual Report.

CONSOLIDATED BALANCE SHEETS
XTRA Corporation and Subsidiaries

September 30, (Millions of dollars except per share and share amounts)	1997	1996
Assets		
Property and equipment at cost		
Revenue equipment and other	$2,112	$1,977
Accumulated depreciation	(658)	(570)
Net property and equipment	1,454	1,407
Cash	4	8
Trade receivables, net	65	52
Lease contracts receivable	43	42
Other assets	19	28
	$1,585	$1,537
Liabilities and Stockholders' Equity		
Liabilities		
Debt	$ 892	$ 892
Deferred income taxes	252	227
Accounts payable and accrued expenses	81	76
Total liabilities	1,225	1,195
Commitments and contingencies (Note 6)		
Stockholders' equity		
Preferred Stock, without par value; total authorized: 3,000,000 shares		
Common Stock, par value $.50 per share; authorized: 30,000,000 shares; issued and outstanding: 15,276,600 shares at September 30, 1997; 15,550,499 shares at September 30, 1996	8	8
Capital in excess of par value	52	64
Retained earnings	304	273
Cumulative translation adjustment	(4)	(3)
Total stockholders' equity	360	342
	$1,585	$1,537

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENTS
XTRA Corporation and Subsidiaries

For the year ended September 30, (Millions of dollars except per share amounts)	1997	1996	1995
Revenues	$ 435	$ 422	$ 378
Operating expenses			
Depreciation on rental equipment	149	146	117
Rental equipment operating expense	109	101	88
Selling and administrative expense	43	40	34
	301	287	239
Operating income	134	135	139
Interest expense	63	66	41
Income before provision for income taxes	71	69	98
Provision for income taxes	28	28	41
Net income	$ 43	$ 41	$ 57
Earnings per fully diluted common share	$2.77	$2.56	$3.39
Weighted average number of fully diluted common and common equivalent shares outstanding (in millions)	15.4	16.1	16.9

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
XTRA Corporation and Subsidiaries

For the year ended September 30, (Millions of dollars)	1997	1996	1995
Cash flows from operations			
Net Income	$ 43	$ 41	$ 57
Add non-cash income and expense items:			
Depreciation and amortization, net	148	146	111
Deferred income taxes, net	26	31	30
Bad debt expense	5	3	4
Add other cash items:			
Net change in receivables, other assets, payables and accrued expenses	(7)	2	(12)
Cash receipts on lease contracts receivable	21	18	19
Recovery of property and equipment net book value	33	31	28
Total cash provided from operations	269	272	237
Cash used for investment activities			
Additions to property and equipment	(249)	(205)	(339)
Acquisition of certain net assets of Matson Leasing Co., Inc.	–	(5)	(358)
Total cash used for investment activities	(249)	(210)	(697)
Cash flows from financing activities			
Borrowings of debt	72	247	493
Payments of debt	(72)	(252)	(41)
Net proceeds from exercise of stock options	1	1	2
Repurchase of common stock	(13)	(45)	(20)
Dividends paid	(12)	(11)	(11)
Total cash provided by (used for) financing activities	(24)	(60)	423
Net increase (decrease) in cash	(4)	2	(37)
Cash at beginning of year	8	6	43
Cash at end of year	$ 4	$ 8	$ 6
Total interest paid	$ 59	$ 52	$ 35
Total income taxes paid (refunded)	$ (5)	$ (2)	$ 17

The accompanying notes are an integral part of these consolidated financial statements.

The discussion below contains certain forward-looking statements relating to, among other things, estimates of economic and industry conditions, equipment utilization and capital expenditures. Actual results may vary from those contained in such forward-looking statements. See "Cautionary Statements for Purposes of the 'Safe Harbor' Provisions of the Private Securities Litigation Reform Act of 1995" contained below.

Revenues and Business Conditions

XTRA Corporation leases, primarily on an operating basis, freight transportation equipment including over-the-road trailers, marine containers, intermodal trailers, chassis, and domestic containers. XTRA's equipment utilization, lease rates, and therefore, profitability, are impacted by the supply of and demand for available equipment, the level of economic activity in North America, world trade activity, the actions of its competitors, and other factors in the freight transportation industry. The discussion and data below are presented on a consolidated basis.

The Company's pretax profits have been cyclical, principally due to the variability of the Company's revenues and the high percentage of fixed costs. To moderate this cyclicality, the Company attempts to maintain a balance between the amount of equipment leased on a per diem and term basis and maintains a mix of various types of freight transportation equipment available for lease. The Company has historically maintained a high proportion of its debt at fixed rates to reduce the impact of fluctuations in interest rates.

The June 1995 marine container acquisition, in addition to providing a further diversification of its customer base, has reduced XTRA's dependence on the North American transportation industry. Although the marine container business is international, substantially all transactions are denominated in U.S. dollars. This discussion includes the marine container operating results for fiscal years 1997 and 1996 and for the three months ended September 30, 1995. Reference to years in the discussion below refer to XTRA Corporation's fiscal years (the period from October 1 to September 30).

Revenues

Revenues are a function of lease rates and working units; the latter depends on fleet size and equipment utilization. Utilization, the ratio of revenue-earning units to the total fleet, is derived from billing information, usage reports and other information from customers, assumptions based on historical experience, and equipment inventories taken at Company depots, and is an approximation. Utilization is impacted by the supply of and demand for available equipment, the level of economic activity in North America, and world trade activity.

The following table sets forth the Company's average equipment utilization (dollar weighted by investment in each type of equipment), average fleet size in units, and average net investment in revenue equipment for the years ended September 30, 1997, 1996, and 1995. The Company's average fleet size and net investment includes equipment owned by the Company, equipment leased-in from third parties under operating and capital leases, and equipment leased to third parties under finance leases.

Year ended September 30,	1997	1996	1995(1)
North America:			
Utilization	85%	81%	86%
Units	131,000	133,000	129,000
Net investment in equipment (in millions)	$996	$1,005	$919
International:			
Utilization	79%	81%	90%
Units	157,000	141,000	31,000
Net investment in equipment (in millions)	$418	$403	$147
Consolidated:			
Utilization	84%	81%	86%
Units	288,000	274,000	160,000
Net investment in equipment (in millions)	$1,414	$1,408	$1,066

(1) The Company acquired certain net assets of Matson Leasing Company, Inc. on June 30, 1995. The 1995 figures shown here are annual averages. 1995 fourth quarter average International utilization was 90%, fleet size was 125,000 units, and net investment in equipment was $367 million. 1995 fourth quarter average Consolidated dollar-weighted utilization was 84%, fleet size was 256,000 units, and net investment in equipment was $1,357 million.

Overall 1996 revenues increased by 12% to $422 million from $378 million in 1995, principally due to the inclusion of the marine container business for the full fiscal year versus one quarter of the year in 1995, partially offset by lower revenues generated from the Company's domestic business, primarily intermodal trailers. The domestic transportation industry did not experience the moderate growth seen in the domestic economy in 1996. The decrease in utilization of the Company's domestic transportation equipment to 81% in 1996 from 86% in 1995 reflected reduced freight levels and increased industry-wide equipment supply. The over-supply of domestic transportation equipment was due to the record level of industry purchases in 1994 and 1995. In 1996, industry purchases of equipment were reduced considerably. Lower growth in freight demand, particularly in the Far East, affected worldwide growth of marine container usage. An increase in the supply of marine containers resulting from substantial industry-wide purchases also reduced utilization of leased containers. XTRA's marine container utilization declined to average 81% for 1996 from 90% in 1995. The significant increase in average net investment in equipment in 1996 was primarily attributable to the acquisition of the marine container business in late 1995.

Revenues increased 3% or $13 million to $435 million in 1997, primarily due to improvement in the North American businesses. The Company's overall average equipment utilization increased by 3%.

In 1997, XTRA's North American revenues increased 3% or $12 million due to higher equipment utilization and improving lease rates. The Company's North American utilization began improving during the second half of 1996 and continued into 1997. Utilization averaged 85% in 1997, as compared to 81% in 1996. Lower industry-wide capital spending and increasing demand, as reflected in improving intermodal loadings and truck tonnage, positively impacted the supply/demand balance during 1997. The 2,000 unit decrease in fleet size was primarily due to reductions in the intermodal trailer fleet, offset by additions to the over-the-road trailer fleet.

XTRA's 1997 International revenues increased 2% or $1 million, primarily due to a larger fleet size and an increase in the number of working units in the second half of 1997, offset by a lower average effective lease rate. More balanced world-wide trade resulted in more efficient use of equipment by shippers, hence lower usage of leased containers. In 1996, substantial industry-wide purchases had increased the supply of marine containers. XTRA's marine container utilization declined to average 79% in 1997 from 81% in 1996. The industry over-capacity and sluggish demand for leased marine containers continue to exert pressure on container lease rates. The Company's average international fleet size increased to 157,000 units in 1997 from 141,000 units in 1996 as a result of modest capital spending.

In 1997, industry container purchases were down considerably versus 1996. In the third quarter of 1997, XTRA's international utilization improved over the comparable prior year period for the first time in seven quarters. This improvement continued into the fourth quarter of 1997. While industry over-capacity and rate deterioration continue to be a problem, XTRA remains cautiously optimistic about the longer term prospects of this business segment.

Operating Expenses

Depreciation expense increased 25% or $29 million in 1996 due to the addition of the marine container fleet for the full fiscal year as well as an increase in the over-the-road fleet. In 1997, depreciation expense increased 2% or $3 million mainly due to a larger fleet.

In 1996, rental equipment operating expenses increased 15% or $13 million due to the inclusion of the marine container business for the full fiscal year. In 1997, rental equipment operating expenses increased 8% or $8 million due to higher storage and repositioning costs associated with more idle marine containers, as well as increased facility costs.

In 1996, selling and administrative expenses increased 20% or $6 million due to the marine container business included for the full fiscal year. In 1997, selling and administrative expenses increased 8% or $3 million. Approximately half of the increase was due to an increase in bad debt expense.

Interest Expense

Interest expense is a function of the amount of average net debt outstanding (long-term debt less cash) and average interest rates. The following table sets forth total average net debt outstanding and interest expense as a percentage of total average net debt outstanding.

Year ended September 30,	1997	1996	1995
Average net debt outstanding (millions of dollars)	$882	$906	$518
Interest expense as a percentage of average net debt outstanding	7.1%	7.3%	8.0%

In 1996, interest expense increased 60% or $25 million due primarily to an increase in average net debt outstanding. In 1997, interest expense decreased 5% or $3 million, due to a decrease in average net debt outstanding, as well as a decrease in the average effective interest rate.

Income Before Provision for Income Taxes

In 1996, pretax earnings decreased 29% or $29 million primarily due to lower domestic equipment utilization and as a result of the Company's high percentage of fixed costs. Pretax earnings in 1997 increased 3% or $2 million due primarily to improving utilization.

Provision for Income Taxes

The Company's effective income tax rate was approximately 42%, 41%, and 40% in 1995, 1996, and 1997, respectively. For additional information regarding the provision for income taxes, see Notes 1 and 5 of the Notes to Consolidated Financial Statements.

Significant capital investment is required by the Company's leasing operations, not only for growth but also for replacement of units retired from service. However, during periods of slower economic growth or excess equipment supplies, capital expenditures may be curtailed until demand for transportation equipment increases.

The following table sets forth capital expenditures by equipment type, including units acquired by acquisition, units purchased, and units leased-in from third parties under operating leases. The capital expenditures for 1998 represent XTRA's commitments for 1998 as of November 12, 1997.

(Millions of dollars)	1998	1997	1996	1995
Over-the-road trailers	$14	$193	$100	$204
Marine containers	9	30	79	379
Intermodal trailers	–	–	2	50
Chassis	–	2	22	46
Domestic containers	–	18	2	1
Other	1	6	5	19
Total	$24	$249	$210	$699

The Company recognizes the importance of managing capital spending as essential to maintaining the quality of its fleet. The Company increases its fleet by purchasing new and used equipment and by acquiring equipment from other leasing companies. 1995 capital expenditures included $360 million in equipment acquired from Matson Leasing Company, Inc. In 1996, capital expenditures decreased to $210 million in response to weak industry conditions in both the domestic and international businesses. In 1997, capital expenditures increased to $249 million as XTRA purchased over-the-road trailers to respond to current and anticipated strong future market demand. As of November 12, 1997, XTRA's committed capital expenditures for 1998 amounted to $24 million. The Company may increase capital spending in 1998 if conditions warrant. Actual capital expenditures for 1998 will depend on the Company's assessment of business conditions.

During the three years ended September 30, 1997, the Company generated $778 million of cash flow from operations. During this same period, XTRA invested $1,156 million in property and equipment including acquisitions, paid dividends of $34 million, repurchased $74 million of common stock net of stock options exercised, and increased net debt (debt less cash) outstanding by $486 million.

Although some level of future capital spending can be financed internally, the ability to fund expenditures above that level will depend upon the availability of external financing.

In addition to cash flow from operations, XTRA generally has available to it a variety of external means to finance future growth of its leasing equipment fleet. The Company's external financing options include a combination of medium-term and long-term borrowings in the public debt market, a revolving credit agreement, intermediate and long-term financing from banks and institutional investors, and lease financing. The Company has registered with the Securities and Exchange Commission $604 million of securities consisting of Preferred Stock and Common Stock of the Company and Senior and Subordinated Debt Securities of its subsidiary XTRA, Inc., fully and unconditionally guaranteed by XTRA Corporation (see Note 4 of Notes to Consolidated Financial Statements). As of November 12, 1997, XTRA, Inc. has $532 million available for future issuance under this Shelf Registration. As of November 12, 1997, the Company had $144 million of unused committed credit available under its $300 million Revolving Credit Agreement. The Company's access to external financing will depend upon prevailing market conditions and the Company's credit ratings. There can be no assurance that XTRA will be able to borrow funds in those markets at attractive rates or with covenants that are not more restrictive than the current debt covenants. The Company also has potential access to external funds through the issuance of capital stock. XTRA deems its sources of financing adequate to meet projected needs.

The Company's source of funds for the payment of dividends on its capital stock are advances and dividends from its direct and indirect wholly-owned subsidiaries, including XTRA, Inc. The primary sources of funds for XTRA, Inc. are cash flows from operations, external financing, and advances from its subsidiaries. Several of the Company's loan agreements contain covenants that restrict the payment of dividends or repurchases of common stock by the Company. In addition, certain loan agreements contain covenants that restrict advances to and the payment of dividends to the Company by its subsidiaries, including XTRA, Inc. Under the most restrictive provisions of the Company's loan agreements, the repurchase of common stock and/or the amount of cash dividends which could be paid on the Company's capital stock was limited to $110 million at September 30, 1997. For additional information regarding debt, see Note 4 of the Notes to Consolidated Financial Statements.

The Company has authorized the repurchase of up to $200 million of XTRA's common stock. The timing of the repurchases, which could occur over an extended period of time, will depend on price, market conditions, and other factors. As of November 12, 1997, the Company had repurchased $79 million of common stock under this authorization.

Year 2000

The Company does not expect to incur significant costs during the next two to three years to address the impact of the "Year 2000 problem" on its information systems. The "Year 2000 problem," which is common to most corporations, concerns the inability of information systems, primarily computer software programs, to properly recognize and process date sensitive information as the year 2000 approaches. The Company has completed an assessment of the majority of its systems and is in the process of developing a specific workplan to address this issue. The Company currently believes it will be able to modify or replace its affected systems in time to minimize any detrimental effects on operations. The Company expects that the costs it will incur to ensure its systems are Year 2000 compliant will not be material to the Company's results of operations, liquidity, or consolidated financial position.

CAUTIONARY STATEMENTS FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

The foregoing Management's Discussion and Analysis of Financial Condition and Results of Operations and letter to our shareholders contain certain forward-looking statements, including estimates of economic and industry conditions, equipment utilization, and capital expenditures. In addition, the Company may occasionally make forward-looking statements and estimates such as forecasts and projections of the Company's future performance or statements of management's plans and objectives. These forward-looking statements may be contained in, among other things, SEC filings and press releases made by the Company and in oral statements made by the officers of the Company. Actual results could differ materially from those contained in such forward-looking statements. Therefore, no assurances can be given that the results in such forward-looking statements will be achieved. Important factors that could cause the Company's actual results to differ from those contained in such forward-looking statements include, among others, the factors mentioned below. An additional risk factor is the Company's ability to address the "Year 2000 problem" in a timely and efficient manner.

Variable Revenues and Fixed Operating Expenses

The Company's revenues, which are based on lease rates, utilization, and supply of and demand for equipment, are variable due to their dependence on the level of domestic and international economic activity, as well as changing industry levels of equipment supply. In addition, the Company has a high percentage of fixed operating expenses, which include depreciation, a portion of rental equipment operating expenses, and selling and administrative expenses. As a result, the Company's pretax profits are cyclical. If domestic or global economic activity remains slow or if an oversupply of industry equipment exists, operating margins may be adversely affected. See below for further discussion.

Lease Rates

Lease rates depend on the type of lease, length of term, maintenance provided, and the type and age of the equipment. Future lease rates may increase or decrease depending on competition, economic conditions, and other factors.

Utilization

Utilization is the ratio of revenue earning units to the total fleet. Utilization is directly impacted by the level of economic activity in North America, world trade activity, the supply of and demand for available equipment, the actions of competitors, and other factors in the freight transportation industry.

Supply of Equipment

New equipment, supplied by a number of manufacturers, is built to the Company's specifications and reflects industry standards and customer needs. There is often a considerable amount of time between when an order is placed and when the equipment is delivered. In addition, it is difficult to accurately predict demand for the Company's equipment in future periods. As a result, the Company's performance in a given period may be adversely affected either because of its inability to quickly increase fleet size because of extended back orders, to take advantage of unexpectedly strong demand, or to quickly reduce fleet size in order to react to reduced demand.

Demand

Demand for equipment is affected by economic factors, equipment supply, and shifting traffic trends in the industry. A softening domestic or international economy may result in lower levels of freight shipments. Shifting traffic trends in the industry, such as truckers competing more aggressively, may divert some intermodal freight to over-the-road. Other items affecting demand which may impact leasing needs can include severe adverse weather conditions such as floods or snow storms or strikes by transportation unions.

Operating Expenses

The Company's operating expenses consist of a high percentage of fixed costs and thus profitability can change as revenues fluctuate due to increases and decreases in utilization and/or lease rates. The fixed costs include depreciation, a portion of rental equipment operating expenses, and selling and administrative expenses. As a result, income from operations can be cyclical. If revenues decline in any period, operating margins may change from those reported in prior periods due to the fixed nature of a significant portion of the Company's expenses.

Capital Needs

The acquisition of new equipment, both for growth as well as replacement of older equipment, requires significant capital. In addition, over the past several years, the Company has grown its fleet through acquisitions of other companies such as Strick Lease and Matson Leasing Company, Inc., requiring additional capital. While the Company generally has had available a variety of sources to finance such expenditures and acquisitions at favorable rates or terms, the availability of such capital depends heavily upon prevailing market conditions, the Company's capital structure, and its credit ratings. No assurances can be given that financing will continue to be available at attractive rates or with covenants that are not more restrictive than the Company's current debt covenants.

Interest Rates

Over the past several years, interest rates have remained at relatively low levels. Due to the Company's heavy dependence upon external financing to fund its capital needs and acquisitions, the level of interest rates directly affects the Company's profitability. The Company attempts to moderate the effect of changing interest rates by maintaining a high percentage of its debt with fixed rates. An increase in interest rates or a downgrade in the Company's debt ratings would adversely impact the cost of new borrowings, thereby adversely affecting its profitability.

Foreign Exchange Rates

A portion of the Company's business is transacted in local currencies. As a result, the Company's financial results are subject to foreign exchange rate fluctuations.

Acquisitions

Over the past years, the Company has used acquisitions of fleets operated by other companies to help grow its business. In order for the Company to take advantage of favorable acquisition opportunities as they are presented, it may be necessary for the Company to significantly increase its debt leverage ratio which could adversely affect its credit ratings. Also, the ability of the Company to take advantage of acquisition opportunities will depend on the availability of capital. See financial liquidity and capital resources above for discussion.

Consolidations of the Company's Customer Base

Consolidations through mergers or acquisitions of the Company's customer base, including railroad or steamship lines, may result in reduced demand for leased equipment.

UNAUDITED QUARTERLY CONDENSED CONSOLIDATED INCOME STATEMENTS
XTRA Corporation and Subsidiaries

For the four quarters ended September 30, 1997 and 1996 (Millions of dollars except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1997				
Revenues	$111	$102	$105	$117
Expenses[1]	89	89	91	95
Income before income taxes	22	13	14	22
Provision for income taxes	9	5	5	9
Net income	$ 13	$ 8	$ 9	$ 13
Earnings per fully diluted common share	$ .85	$ .49	$ .56	$ .88
Weighted average number of fully diluted common shares outstanding (in millions)	15.3	15.3	15.3	15.4
1996				
Revenues	$112	$101	$101	$108
Expenses[1]	89	87	88	89
Income before income taxes	23	14	13	19
Provision for income taxes	9	6	5	8
Net income	$ 14	$ 8	$ 8	$ 11
Earnings per fully diluted common share	$ .85	$ .51	$ .49	$ .71
Weighted average number of fully diluted common shares outstanding (in millions)	16.4	16.1	16.0	15.7

[1] Includes operating and interest expenses.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
XTRA Corporation and Subsidiaries

For the three years ended September 30, 1997 (Millions of dollars)	Common Stock $.50 Par Value	Capital in Excess of Par Value	Retained Earnings	Cumulative Translation Adjustment
Balance at September 30, 1994	$8	$126	$197	$–
Net income	–	–	57	–
Common stock cash dividends declared at $.62 per share	–	–	(11)	–
Options exercised and related tax benefits	–	2	–	–
Repurchase of common stock	–	(20)	–	–
Translation adjustment	–	–	–	–
Balance at September 30, 1995	8	108	243	–
Net income	–	–	41	–
Common stock cash dividends declared at $.70 per share	–	–	(11)	–
Options exercised and related tax benefits	–	1	–	–
Repurchase of common stock	–	(45)	–	–
Translation adjustment	–	–	–	(3)
Balance at September 30, 1996	8	64	273	(3)
Net income	–	–	43	–
Common stock cash dividends declared at $.78 per share	–	–	(12)	–
Options exercised and related tax benefits	–	1	–	–
Repurchase of common stock	–	(13)	–	–
Translation adjustment	–	–	–	(1)
Balance at September 30, 1997	$8	$ 52	$304	$(4)

The accompanying notes are an integral part of these consolidated financial statements.

(1) Summary of Significant Accounting Policies

Nature of Operations

XTRA Corporation leases, primarily on an operating basis, freight transportation equipment including over-the-road trailers, marine containers, intermodal trailers, chassis, and domestic containers. XTRA leases over-the-road and intermodal equipment throughout North America, predominantly within the United States, to contract and common carriers, railroads, and private fleet owners. In addition, the Company leases marine containers worldwide to steamship lines.

Principles of Consolidation

The consolidated financial statements include the accounts of XTRA Corporation and its wholly-owned subsidiaries ("the Company"). All material intercompany accounts and transactions have been eliminated. Certain amounts in the prior year financial statements have been reclassified to be consistent with the current year's presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Provisions for income taxes recognize the tax effect of all revenue and expense transactions as well as any change during the period in deferred tax assets and liabilities. The effects of changes in tax rates and laws on deferred tax assets and liabilities are reflected in net income in the period in which such changes are enacted.

Leases

The Company records the majority of its leases using the operating method of accounting. Full-payout or near full-payout leases are accounted for under the finance method.

Depreciation

The Company provides for depreciation by using the straight-line method to amortize the cost of property and equipment to its estimated residual value over its estimated useful life. Revenue equipment is depreciated using estimated useful lives of 10 to 20 years. In addition, the Company reviews the condition and types of its revenue equipment to determine if any permanent impairment has occurred.

When equipment is sold or retired, its cost and accumulated depreciation are removed from the balance sheet, and any gain or loss is included in revenues. Revenue equipment with an original cost of approximately $89 million, which has reached the end of its estimated useful life, remains in service and is included in Revenue Equipment at September 30, 1997.

Repair and Maintenance

Repair and maintenance expenses are charged to operating expenses when incurred and amounted to $29 million, $27 million, and $26 million in 1997, 1996, and 1995, respectively.

Earnings per Share

The computation of earnings per common share is based on net income divided by the weighted average number of outstanding common shares and common share equivalents.

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings per Share," which is effective for financial statements issued for periods ending after December 15, 1997. SFAS 128 supersedes Accounting Principles Board Opinion No. 15 (APB 15) and establishes new standards for the presentation of earnings per share. Primary earnings per share will be replaced with "Basic Earnings Per Share" and fully diluted earnings per share will be replaced with "Diluted Earnings Per Share." Under SFAS 128, "Basic Earnings Per Share" excludes dilution and is computed by dividing income available to common stockholders by weighted average shares outstanding. "Diluted Earnings Per Share" reflects the effect of all other outstanding common stock equivalents under the treasury stock method and is computed similarly to fully diluted earnings per share according to APB 15. Had the Company adopted SFAS 128, fiscal 1997 Basic Earnings Per Share would have been $2.79 per share and $2.78 for Diluted Earnings Per Share compared to $2.78 and $2.77 per share for primary and fully diluted earnings per share, respectively. There would have been no change in fiscal 1996 earnings per share. Fiscal year 1995 Basic Earnings Per Share would have been $3.40 per share and $3.39 for Diluted Earnings Per Share compared to $3.39 per share for primary and fully diluted earnings per share.

Foreign Currency Translation

The Company translates the assets and liabilities of its foreign operations at the exchange rates in effect at year-end. Revenues and expenses are translated using average exchange rates in effect during the year. Gains and losses from foreign currency translation are credited or charged to cumulative translation adjustment included in stockholders' equity in the accompanying Consolidated Balance Sheets. The gains or losses from translation of certain intercompany liabilities of the Company's North American businesses are included in operating expenses.

(2) Acquisitions

On June 30, 1995, the Company acquired certain net assets of Matson Leasing Company, Inc., a major lessor of marine container equipment which at that time operated a rental fleet of approximately 170,000 twenty-foot equivalent units. Total consideration for the assets approximated $360 million in cash. The transaction was accounted for as a purchase.

The unaudited pro forma condensed consolidated income statement of the Company, as if Matson Leasing Company, Inc. had been acquired on October 1, 1994 is as follows:

For the twelve months ended September 30, (Millions of dollars except per share data)	1995
Revenues	$ 432
Net income	61
Earnings per fully diluted common share	$3.59

(3) Equipment Leases

The Company uses the operating method of accounting for the majority of its equipment leases. Under this method, revenue is recognized in the month earned based on the terms of the lease contract, and the equipment is depreciated to its estimated residual value over its estimated useful life.

The finance method of accounting is used for revenue equipment leased to customers on a full-payout basis at lease inception. Under this method, finance lease income, the difference between the total lease receivable and the net book value less the unguaranteed residual value of the related equipment, is deferred and amortized as revenue over the lease term using the interest method, which provides a level rate of return on the net investment in the lease.

The following schedule summarizes the future minimum rental receipts on operating and finance leases by year as of September 30, 1997:

(Millions of dollars)	Operating Leases	Finance Leases
1998	$126	$19
1999	69	15
2000	48	10
2001	31	6
2002	18	2
2003 and thereafter	15	1
Total	$307	$53

The components of the net investment in finance leases as of September 30, 1997 and 1996 were as follows:

(Millions of dollars)	1997	1996
Minimum lease payments receivable	$ 53	$ 51
Add: estimated unguaranteed residual values	7	8
	60	59
Less: deferred finance lease income	(17)	(17)
Lease contracts receivable, net	$ 43	$ 42

(4) Debt

Debt as of September 30, 1997 and 1996 consisted of the following:

(Millions of dollars)	1997	1996
Unsecured financing		
Medium-term Notes	$703	$661
Revolving Credit Agreement	161	160
Total unsecured financing	864	821
Total secured financing	28	71
Total debt	892	892
Less: current portion	(57)	(56)
Long-term debt	$835	$836

The $703 million of Medium-term Notes have a weighted average interest rate of 7.1% and maturities from fiscal 1998 to 2012. At September 30, 1997, $532 million remained available under the shelf registration for future debt issuance. The weighted average interest rates incurred were 7.0%, 7.1%, and 7.6% during 1997, 1996, and 1995, respectively.

The Company's Revolving Credit Agreement has bank commitments of $300 million at September 30, 1997 and a revolving period maturity date of June 30, 1999. Pricing on the Revolving Credit Agreement is dependent on the Company's credit ratings and is based on a fixed spread over the London Interbank Offered Rate (LIBOR). The Company pays a facility fee on any unused commitment in the facility.

Unless the Company requests and the banks approve a renewal or extension of the agreement, borrowings outstanding on the revolving period maturity date will be converted to a five year term loan payable in equal quarterly installments with a final term maturity of June 30, 2004.

The Company borrows on a short-term basis by issuing commercial paper and using uncommitted lines of credit. Short-term borrowings are back-stopped by the unused borrowing capacity under the Revolving Credit Agreement. They have therefore been classified as Revolving Credit Agreement borrowings. At September 30, 1997 and September 30, 1996, such borrowings constituted all Revolving Credit Agreement borrowings and at September 30, 1997, have a weighted average interest rate of 5.8%. The weighted average interest rates incurred under the Revolving Credit Agreement, consisting primarily of short-term borrowings, were 5.7%, 5.8%, and 6.0% during 1997, 1996, and 1995, respectively. At September 30, 1997, $139 million of unused commitment was available.

The secured financing at September 30, 1997, consisting of capital lease obligations, has a weighted average interest rate of 9.0% and is payable in installments through 2001. The weighted average interest rates incurred under the secured financing were 10.0%, 9.4%, and 9.3% during 1997, 1996, and 1995, respectively.

Revenue equipment recorded on the consolidated balance sheets related to secured financing was as follows at September 30, 1997 and 1996:

(Millions of dollars)	1997	1996
Revenue equipment	$ 61	$141
Accumulated depreciation	(28)	(63)
Net secured equipment	$ 33	$ 78

Assuming the Company were to convert the Revolving Credit Agreement to a term loan on its revolving period maturity date, the amount of minimum maturities of all debt during each of the next five fiscal years and thereafter would be as follows:

(Millions of dollars)	Minimum Debt Maturities
1998	$ 57
1999	74
2000	107
2001	105
2002	104
2003 and thereafter	445
Total payments and maturities	$892

The Company's loan agreements contain minimum debt service tests and restrictive covenants including restrictions on the amount of debt in relation to revenue equipment and stockholders' equity and limitations on secured borrowings. The Company's loan agreements contain covenants that restrict the payment of dividends or repurchases of common stock by the Company. In addition, certain loan agreements contain covenants that restrict advances to and the payment of dividends to the Company by its subsidiaries, including XTRA, Inc. Under the most restrictive provisions of the Company's loan agreements, the repurchase of common stock and/or the amount of cash dividends which could be paid on the Company's capital stock was limited to $110 million at September 30, 1997.

(5) Income Taxes

The components of the provision for income taxes for 1997, 1996, and 1995 are as follows:

(Millions of dollars)	1997	1996	1995
Current tax provision			
Federal	$ 1	$ (4)	$ 8
State	1	1	3
Current tax provision	2	(3)	11
Deferred tax provision			
Federal	22	25	23
State	4	6	7
Deferred tax provision	26	31	30
Provision for income taxes	$28	$28	$41

The provision differs from income taxes currently payable because certain items of income and expense are recognized in different periods for financial statement purposes than for tax return purposes.

The reasons for the difference between the statutory U.S. Federal income tax rates and the Company's effective income tax rates for 1997, 1996, and 1995 are as follows:

Percent of Pretax Income	1997	1996	1995
Federal statutory rate	35%	35%	35%
Increase in taxes resulting from:			
State taxes and other	5	6	7
Effective income tax rate	40%	41%	42%

The components of the net deferred tax liability as of September 30, 1997 and 1996 are as follows:

(Millions of dollars)	1997	1996
Assets		
Capital lease obligations	$ 15	$ 24
Investment tax credits	3	3
Alternative minimum tax credits	20	18
Other	16	17
Total deferred tax assets	$ 54	$ 62
Liabilities		
Revenue equipment	$286	$264
Other	20	25
Total deferred tax liabilities	306	289
Net deferred tax liability	$252	$227

The Company estimates that after filing its fiscal 1997 tax return, it will have $3 million of investment tax credit carryforwards available to reduce future federal income tax liabilities. The investment tax credit carryforwards expire beginning in 2000. The Company also estimates that after filing its fiscal 1997 tax return, it will have $20 million of alternative minimum tax credit carryforwards available to reduce future federal income tax liabilities. The benefit of both tax credit carryforwards has been recorded in the Company's financial statements. The Company has not recognized a valuation allowance for deferred tax assets.

(6) Commitments and Contingencies

The Company has no revenue equipment leased in under operating leases at September 30, 1997.

The Company's offices and certain facilities are occupied under leases expiring at various dates. At September 30, 1997, the Company's lease commitments under the non-cancelable portion of these leases for the next five years and in total thereafter were as follows:

(Millions of dollars)	Total Lease Commitments
1998	$ 6
1999	5
2000	4
2001	3
2002	2
2003 and thereafter	6
Total	$26

Rental equipment lease financing expense amounted to $1 million, $1 million, and $2 million in 1997, 1996, and 1995, respectively, which is included in the income statement under the caption "Depreciation on rental equipment." Other rental expense amounted to $6 million, $5 million, and $4 million in 1997, 1996, and 1995, respectively.

As of November 12, 1997, the Company had committed capital expenditures of $24 million, principally for revenue equipment in fiscal 1998.

The Illinois Environmental Protection Agency has notified the Company of alleged environmental contamination of XTRA's Fairmont City, Illinois property which resulted from the prior owner's zinc smelting operations. The Company has had initial discussions with the successors in interest currently responsible for the liabilities of the prior owner about participation in an investigation and cleanup of the facility under the Illinois voluntary remediation program. Based upon the Company's current understanding of the nature of the contamination, the Company believes that the resolution of this matter will not have a material impact on the Company's results of operations, cash flows, or financial condition.

(7) Retirement Plans

The Company provides retirement benefits to substantially all of its employees through a qualified and funded defined contribution retirement plan. The Company's yearly profit sharing cash contributions are discretionary and the retirement trust fund's assets are administered by a trustee. The Company's contributions include an employee-matching contribution to a 401(k) plan and a profit sharing contribution and are based on a specified percentage of employee qualified compensation. Participants are entitled to their vested portion of the retirement assets upon termination of employment. The Company recorded defined contribution pension expense of $2 million each year in 1997, 1996, and 1995.

(8) Business Information

The Company leases transportation equipment throughout North America and internationally. The over-the-road and intermodal equipment is leased throughout North America and the marine containers are moved between countries in international commerce. Information about the business of the Company by geographic area is presented in the table below.

(Millions of dollars)	1997	1996	1995
Revenues:			
North America	$ 359	$ 347	$ 358
International	76	75	20
	$ 435	$ 422	$ 378
Operating Income:			
North America	$ 121	$ 115	$ 131
International	13	20	8
	$ 134	$ 135	$ 139
Identifiable Assets:			
North America	$1,150	$1,100	$1,126
International	435	437	390
	$1,585	$1,537	$1,516

(9) Common Stock

Repurchase of Common Stock

The Company has authorized the repurchase of up to $200 million of its common stock. The timing of the repurchases, which could occur over an extended period of time, will depend on price, market conditions, and other factors. As of November 12, 1997, the Company repurchased $79 million of common stock.

1987 Stock Incentive Plan

The 1987 Stock Incentive Plan authorizes the issuance of 1,150,000 shares of common stock under the plan. The plan allows the Company to grant awards to key employees including restricted stock awards, stock options, and stock appreciation rights, subject primarily to the requirement of continuing employment. The awards under this plan are available for grant over a period of ten years from the date on which the plan was adopted, but grants may vest beyond the ten year period. Stock options issued by the Company are exercisable at a future time as specified by the Company and generally expire from five to ten years from the date of grant. The exercise price of stock options may not be less than the fair market value of the common stock at the date of grant.

1991 Stock Option Plan for Non-Employee Directors

The 1991 Stock Option Plan for Non-Employee Directors authorizes the granting of options for a maximum of 100,000 shares. The option price per share is equal to the fair market value of the common stock on the date of grant. The term of each option is five years and options become exercisable one year after the date of grant.

The XTRA Corporation Deferred Director Fee Option Plan

The Deferred Director Fee Option Plan allows a non-employee director to elect to receive, in lieu of his annual retainer fee and/or board and committee meeting fees, a non-qualified stock option. The option exercise price is 50% of the fair market value of the shares at the time the options are awarded and the amount of shares is determined by dividing the director's fees by the exercise price.

Accounting for Stock-Based Compensation

In October 1995, the Financial Accounting Standards Board issued Statement of Accounting Standards Number 123 (SFAS 123), "Accounting for Stock-Based Compensation," which sets forth a fair-value-based method of recognizing stock-based compensation expense. As permitted by SFAS 123, the Company has elected to continue to apply APB No. 25, "Accounting for Stock Issued to Employees," to account for its stock-based compensation plans.

Had the compensation cost for these plans been determined according to SFAS 123, the Company's net income and earnings per share would have been the following pro forma amounts:

(Millions of dollars, except per share amounts)		1997	1996
Net Income:	As reported	$43	$41
	Pro forma	$41	$41
Fully-diluted EPS:	As reported	$2.77	$2.56
	Pro forma	$2.70	$2.55

For purposes of the pro forma disclosure, the fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	1997	1996
Volatility	20.1%	22.9%
Risk-free interest rate	5.8%	6.3%
Dividend yield	1.8%	1.6%
Expected life of options	3 years	3 years

The weighted average grant date fair value of options granted during 1997 and 1996 was $9.32 and $9.35 per share, respectively, for shares granted under the 1987 Stock Incentive Plan. For shares granted under the 1991 Stock Option Plan for Non-Employee Directors, the weighted average grant date fair value of options granted during 1997 and 1996 was $8.29 and $8.83 per share, respectively. The weighted average grant date fair value of options granted during 1997 and 1996 for the shares granted under the Deferred Director Fee Option Plan was $4.02 and $4.40, respectively.

Because the SFAS 123 method of accounting has not been applied to options granted prior to October 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The following table summarizes the stock option transactions pursuant to the Company's stock incentive and stock option plans for the three-year period ended September 30, 1997:

	Shares (000s)	Weighted Average Exercise Price Per Share ($)
Options outstanding at September 30, 1994:	249	$29.74
Granted	501	49.73
Exercised	(78)	11.50
Forfeited	(6)	45.86
Options outstanding at September 30, 1995:	666	46.71
Granted	21	41.08
Exercised	(36)	14.43
Forfeited	(11)	47.96
Options outstanding at September 30, 1996:	640	48.27
Granted	262	50.05
Exercised	(30)	34.95
Forfeited	(64)	50.04
Options outstanding at September 30, 1997:	808	49.21
Exercisable options at September 30, 1997:	547	50.78
Shares available for grant at September 30, 1997:	85	

The following table summarizes information about stock options outstanding at September 30, 1997:

	Options outstanding			Options exercisable	
Range of exercise prices	Number Outstanding at 9/30/97 (000s)	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at 9/30/97 (000s)	Weighted Average Exercise Price
$20.75 to 25.31	5	3.1 years	$22.45	4	$22.63
$36.12 to 56.94	803	3.0 years	49.37	543	50.98
Total	808	3.0 years	$49.21	547	$50.78

(10) Disclosures about Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and Short-term Investments

The carrying amount approximates fair value because of the short maturity of those instruments.

Debt

The fair value of the Company's fixed rate debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's floating rate debt is its carrying amount.

The carrying amounts and estimated fair values of the Company's financial instruments are as follows:

For the two years ended September 30, 1997 (Millions of dollars)	Carrying Amount	Fair Value
1997		
Cash and short-term investments	$ 4	$ 4
Debt	892	917
1996		
Cash and short-term investments	$ 8	$ 8
Debt	892	877

(11) Allowance for Doubtful Accounts

The allowance for doubtful accounts as of September 30, 1997, 1996, and 1995 consists of the following:

For the year ended September 30, (Millions of dollars)	1997	1996	1995
Balance at beginning of year	$13	$16	$11
Additions charged to operating expenses	5	3	5
Deductions[(1)]	(4)	(6)	(3)
Other[(2)]	–	–	3
Balance at end of year	$14	$13	$16

[(1)] Amounts charged against reserves, net of recoveries.

[(2)] Includes the addition of reserves for accounts receivable related to acquisitions.

(12) Selected Financial Data of Significant Subsidiaries

The condensed consolidated data for XTRA, Inc., a wholly-owned subsidiary of XTRA Corporation, included in the consolidated financial information of the Company, is summarized below:

For the three years ended September 30, (Millions of dollars)	1997	1996	1995
Income Statement Data			
Revenues	$ 435	$ 422	$ 378
Income before provision for income taxes	71	69	98
Net income	43	41	57
Selected Balance Sheet Data			
Receivables, net	$ 108	$ 94	$ 91
Net property and equipment	1,454	1,407	1,395
Other assets	23	35	27
Total assets	$1,585	$1,536	$1,513
Debt	$ 892	$ 892	$ 898
Deferred income taxes	252	227	194
Other liabilities	86	76	69
Total liabilities	1,230	1,195	1,161
Stockholders' equity	355	341	352
Total liabilities and stockholders' equity	$1,585	$1,536	$1,513

Officers

Lewis Rubin
President and Chief Executive Officer

Robert B. Blakeley
Vice President and Controller

Jeffrey R. Blum
Vice President, Administration and Human Resources

Michael K. Fox
Vice President, XTRA Intermodal

William H. Franz
Vice President, XTRA Lease

Frederick M. Gutterson
Vice President, XTRA International

Christopher P. Joyce
Vice President and Treasurer

James R. Lajoie
Vice President, General Counsel and Secretary

Michael J. Soja
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Options traded on the American and Pacific
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