

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended September 30, 2001

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 333-37504

ICON Income Fund Eight B L.P.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-4101114

(IRS Employer Identification Number)

100 Fifth Avenue, New York, New York 10011

(Address of principal executive offices)

(Zip code)

(212) 418-4700

Registrant's telephone number, including area code

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 12 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 90 days.

☒ Yes ☐ No

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Consolidated Balance Sheet

(Unaudited)

	September 30, <u>2001</u>	December 30, <u>2000</u>
<u>Assets</u>		
Cash	\$ 10,874,363	\$ 1,315,706
Investment in finance leases		
Minimum rents receivable	28,109,179	11,631,296
Estimated unguaranteed residual values	2,390,338	1,233,991
Initial direct costs	662,890	289,670
Unearned income	<u>(6,010,760)</u>	<u>(2,998,971)</u>
	<u>25,151,647</u>	<u>10,155,986</u>
Investment in operating leases		
Equipment, at cost	95,287,110	76,284,645
Accumulated depreciation	<u>(8,806,646)</u>	<u>(111,940)</u>
	<u>86,480,464</u>	<u>76,172,705</u>
Investment in joint ventures	3,282,036	-
Investments in unguaranteed residual values	2,331,850	-
Lease investment held in escrow	5,186,296	-
Other assets	<u>804,978</u>	<u>463,781</u>
Total assets	<u>\$ 134,111,634</u>	<u>\$ 88,108,178</u>
<u>Liabilities and Partners' Equity</u>		
Notes payable - non-recourse	\$ 74,956,962	60,497,834
Note payable - line of credit	-	7,000,000
Deferred rental income	345,926	-
Security deposits and other liabilities	631,280	352,383
Minority interests in joint ventures	<u>1,619,724</u>	<u>1,493,780</u>
	<u>77,553,892</u>	<u>69,343,997</u>
Partners' equity		
General Partner	(30,107)	(1,316)
Limited Partners (682, 899.25 and 219,813.65)		
units outstanding, \$100 per unit original issue price)	<u>56,587,849</u>	<u>18,765,497</u>
Total partners' equity	<u>56,557,742</u>	<u>18,764,181</u>
Total liabilities and partners' equity	<u>\$ 134,111,634</u>	<u>\$ 88,108,178</u>

See accompanying notes to financial statements.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Consolidated Statement of Operations

(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues				
Rental income	\$ 4,504,568	\$ -	\$13,159,408	\$ -
Finance income	675,440	187,029	1,620,766	204,649
Interest income and other	59,567	33,403	113,070	33,656
Gain on sale of equipment	46,608	-	46,608	-
Income from investment in joint venture	<u>8,629</u>	<u>-</u>	<u>8,629</u>	<u>-</u>
Total revenues	<u>5,294,812</u>	<u>220,432</u>	<u>14,948,481</u>	<u>238,305</u>
Expenses				
Depreciation	3,133,942	-	8,854,350	-
Interest	1,396,592	31,391	4,016,703	31,391
Management fees - General Partner	380,673	54,603	946,330	57,018
Administrative expense				
reimbursements - General Partner	169,180	21,929	401,913	22,895
General and administrative	104,924	4,922	281,884	6,373
Amortization of initial direct costs	64,443	10,654	139,081	11,949
Minority interest expense	<u>39,309</u>	<u>-</u>	<u>125,944</u>	<u>-</u>
Total expenses	<u>5,289,063</u>	<u>123,499</u>	<u>14,766,205</u>	<u>129,626</u>
Net income	<u>\$ 5,749</u>	<u>\$ 96,933</u>	<u>\$ 182,276</u>	<u>\$ 108,679</u>
Net income allocable to:				
Limited partners	\$ 5,692	\$ 95,964	\$ 180,453	\$ 107,592
General Partner	<u>57</u>	<u>969</u>	<u>1,823</u>	<u>1,087</u>
	<u>\$ 5,749</u>	<u>\$ 96,933</u>	<u>\$ 182,276</u>	<u>\$ 108,679</u>
Weighted average number of limited partnership units outstanding	<u>526,730</u>	<u>72,094</u>	<u>375,564</u>	<u>58,772</u>
Net income per weighted average limited partnership unit	<u>\$.01</u>	<u>\$ 1.33</u>	<u>\$.48</u>	<u>\$ 1.83</u>

See accompanying notes to consolidated financial statements.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Statement of Changes in Partners' Equity

For the Period from February 7, 2000 (date of inception)
Through December 31, 2000 and the Nine Months Ended September 30, 2001

(Unaudited)

Limited Partner Distributions

	<u>Return of</u> <u>Capital</u>	<u>Investment</u> <u>Income</u>	<u>Limited</u> <u>Partners</u>	<u>General</u> <u>Partner</u>	<u>Total</u>
	(Per weighted average unit)				
Initial partners' capital contribution			\$ 1,000	\$ 1,000	\$ 2,000
Refund of initial limited partners' capital contribution			(1,000)	-	(1,000)
Proceeds from issuance of limited partnership units (219,813.65 units)			21,981,365	-	21,981,365
Sales and offering expenses			(2,967,484)	-	(2,967,484)
Cash distributions to partners	\$ 1.88	\$ 2.18	(536,708)	(5,228)	(541,936)
Net income			<u>288,324</u>	<u>2,912</u>	<u>291,236</u>
Balance at December 31, 2000			18,765,497	(1,316)	18,764,181
Proceeds from issuance of limited partnership units (463,085.60 units)			46,308,560	-	46,308,560
Sales and offering expenses			(5,635,857)	-	(5,635,857)
Cash distributions to partners	\$ 7.59	\$.48	(3,030,804)	(30,614)	(3,061,418)
Net income			<u>180,453</u>	<u>1,823</u>	<u>182,276</u>
Balance at September 30, 2001			<u>\$ 56,587,849</u>	<u>\$ (30,107)</u>	<u>\$ 56,557,742</u>

See accompanying notes to financial statements.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Statement of Cash Flows

For the Nine Months Ended September 30,

(Unaudited)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Net income	\$ 182,276	\$ 108,679
Adjustments to reconcile net income to net cash provided by operating activities:		
Finance income paid directly to lenders by lessees	(434,270)	-
Depreciation	8,854,350	
Amortization of initial direct costs	139,081	11,949
Minority interest expense	125,944	-
Income from investment in joint venture	(8,629)	-
Gain on sale of equipment	(46,608)	-
Rental income paid directly to lender by lessees	(12,175,367)	-
Interest expense on non-recourse financing paid directly by lessees	3,583,073	-
Changes in operating assets and liabilities:		
Collection of principal - non-financed receivables	1,559,603	575,331
Other assets	341,197	866
Accounts receivable-affiliates	-	(650,000)
Accounts payable to General Partner	-	61,976
Deferred rental income	345,926	-
Security deposits and other liabilities	<u>278,897</u>	<u>-</u>
Total adjustments	<u>2,563,197</u>	<u>122</u>
Net cash provided by operating activities	<u>2,745,473</u>	<u>108,801</u>
Cash flows used in investing activities:		
Equipment purchased	(10,838,100)	(7,374,886)
Investment in unguaranteed residual	(2,331,850)	-
Investment in joint venture	(3,273,407)	-
Lease investment held in escrow	(5,186,296)	-
Initial direct costs	(1,082,921)	(221,247)
Other assets	<u>-</u>	<u>(850,000)</u>
Net cash used in investing activities	<u>(22,712,574)</u>	<u>(8,446,133)</u>

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Statement of Cash Flows - Continued

For the Nine Months Ended September 30,

(Unaudited)

	<u>2001</u>	<u>2000</u>
Cash flows from financing activities:		
Initial partners capital contributions	-	2,000
Proceeds from note payable		3,977,317
Proceeds from sale of equipment	263,054	-
Issuance of limited partnership units, net of offering expenses	40,672,703	11,422,688
Payment of non-recourse borrowings	(1,348,581)	-
Payment of note payable - line of credit	(7,000,000)	(2,651,545)
Cash distributions to partners	<u>(3,061,418)</u>	<u>(140,323)</u>
Net cash provided by financing activities	<u>29,525,758</u>	<u>12,610,137</u>
Net increase in cash	9,558,657	4,272,805
Cash at beginning of the period	<u>1,315,706</u>	<u>-</u>
Cash at end of year	<u>\$10,874,363</u>	<u>\$ 4,272,805</u>

See accompanying notes to financial statements.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Consolidated Statement of Cash Flows (continued)

Supplemental Disclosure of Cash Flow Information

For the nine months ended September 30, 2001 and 2000, non-cash activities included the following:

	<u>2001</u>	<u>2000</u>
Fair value of equipment and receivables purchased for debt	\$ 25,259,285	\$ 1,325,772
Non-recourse notes payable assumed in purchase price	<u>(25,259,285)</u>	<u>(1,325,772)</u>
	<u>\$ -</u>	<u>\$ -</u>
Principal and interest on direct finance receivables paid directly to lenders by lessees	\$ 859,282	\$ -
Rental income assigned operating lease receivables	12,175,367	-
Principal and interest paid directly to lenders by lessees	<u>(13,034,649)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

Interest expense of \$4,016,703 for the nine months ended September 30, 2001 consisted of interest expense on non-recourse financing paid directly to lenders by lessees of \$3,583,073 and other interest of \$433,630.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Notes to Financial Statements

September 30, 2001
(Unaudited)

1. Organization

ICON Income Fund Eight B L.P. (the "Partnership") was formed on February 7, 2000 (date of inception) as a Delaware limited partnership with an initial capitalization of \$2,000. It was formed to acquire various types of equipment subject to lease to third parties. The Partnership's maximum offering is \$75,000,000. The Partnership commenced business operations on its initial closing date, June 14, 2000, with the admission of 15,815.51 limited partnership units at \$100 per unit representing \$1,581,551 of capital contributions. As of December 31, 2000, 203,998.14 additional units had been admitted in to the partnership with aggregate gross proceeds of \$20,399,814 bringing the total admission to 219,813.65 units totaling \$21,981,365 in capital contributions. During the nine months ended September 30, 2001, 463,085.60 additional units had been admitted into the Partnership with aggregate gross proceeds of \$463,308,560 bringing the total to 682,899.25 units totaling \$46,308,560 in capital contributions. On October 17, 2001, the Partnership had its final closing with a cumulative total of 750,000 units admitted totaling \$75,000,000 in capital contributions.

The General Partner of the Partnership is ICON Capital Corp. (the "General Partner"), a Connecticut corporation. The General Partner manages and controls the business affairs of the Partnership's equipment, leases and financing transactions under a management agreement with the Partnership.

2. Basis of Presentation

The financial statements of ICON Income Fund Eight B L.P. (the "Partnership") have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and, in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair statement of results for each period shown. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. The results for the interim periods are not necessarily indicative of the results for the full year. These financial statements should be read in conjunction with the financial statements and notes included in the Partnership's 2000 Annual Report on Form 10-K.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Notes to Financial Statements - Continued

3. Related Party Transactions

Fees and expenses paid or accrued by the Partnership to the General Partner or its affiliates for the period ended September 30, 2001 and 2000 were as follows:

	<u>2001</u>	<u>2000</u>	
Organization and offering expenses	\$ 1,005,001	\$ 462,190	Charged to equity
Underwriting commissions	926,171	264,108	Charged to equity
Acquisition fees	2,918,237	1,071,247	Capitalized
Management fees	946,330	57,018	Charged to operations
Administrative expense reimbursements	<u>401,913</u>	<u>22,895</u>	Charged to operations
	<u>\$ 6,197,652</u>	<u>\$ 1,877,458</u>	

During the period ended September 30, 2001, the Partnership entered into a binding purchase agreement to purchase a lease investment and paid a portion of the purchase price thereof into an escrow account. (see note 5). An acquisition fee of \$863,100 was paid to the General Partner in the period with respect to this acquisition. These amounts were included in the caption Lease investment held in escrow on the September 30, 2001 balance sheet.

4. Joint Ventures

The Partnership and affiliates formed five joint ventures discussed below for the purpose of acquiring and managing various assets.

The two joint ventures described below are majority owned and are consolidated with the Partnership.

In 2000, the Partnership and three affiliates, ICON Cash Flow Partners L.P. Six ("L.P. Six"), ICON Cash Flow Partners L.P. Seven ("L.P. Seven") and ICON Income Fund Eight A L.P. ("Fund Eight A") formed ICON Cheyenne for the purpose of acquiring a portfolio of leases with a purchase price of \$29,705,716, which was funded with cash and non-recourse debt assumed. The leases expire from May 2001 to September 2006. The Partnership, L.P. Seven, L.P. Six and Fund Eight A have ownership interests of 87.69%, 10.31%, 1.0% and 1.0%, respectively, in ICON Cheyenne. The Partnership's consolidated financial statements include 100% of the assets and liabilities of ICON Cheyenne. L.P. Seven, L.P. Six and Fund Eight A's interest in ICON Cheyenne have been reflected as minority interest in joint ventures.

In 2000, the Partnership and two affiliates, L.P. Seven and Fund Eight A formed ICON Aircraft for the purpose of acquiring an investment in an aircraft leased to Scandinavian Airlines System with a purchase price of \$44,515,416, which was funded with cash and non-recourse debt assumed in the purchase price. The lease expires in March 2003. The Partnership, L.P. Seven and Fund Eight A have ownership interests of 96%, 2% and 2%, respectively in ICON Aircraft. The Partnership's consolidated financial statements include 100% of the assets and liabilities of ICON Aircraft. L.P. Seven and Fund Eight A's interest in ICON Aircraft have been reflected as minority interest in joint ventures.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Notes to Financial Statements - Continued

The joint ventures described below are less than 50% owned and are accounted for following the equity method.

Seacor Joint Ventures

On July 13, 2001, the Partnership and L.P. Seven formed three joint ventures known as “ICON/Janson Graham LLC, “ICON/Pearl Graham LLC” and “ICON/Amanda Graham LLC”, the three of which are referred to collectively as the “Seacor Joint Ventures”. L.P. Seven contributed three offshore supply vessels with a net book and approximate market value of \$7,595,271, and the Partnership contributed \$3,273,407 in cash into the Seacor Joint Ventures. L.P. Seven and the Partnership received 69.88% and 30.12% ownership interests, respectively, in the Seacor Joint Ventures as a result of these contributions.

The Partnership has the right during the first year of the ventures to sell any of its three joint venture interests to L.P. Seven at a price equal to 110% of its outstanding investment balance for any vessel that is not generating rental revenue for a three month period. L.P. Seven has the right during the first year of the venture to purchase any of the Partnership’s three joint venture interests at a price equal to 105% of the Partnership’s outstanding investment balance for any vessel that is not generating rental revenue for a three month period. The vessels were subject to operating leases during the quarter ended September 30, 2001, however the leases expired and currently all three vessels are off-lease.

The Partnership’s original investment was recorded at a cost of \$3,273,407 and is adjusted for its share of earnings, losses and distributions thereafter.

Assets	<u>\$ 10,897,327</u>
Liabilities	<u>\$ -</u>
Equity	<u>\$ 10,897,327</u>
Partnership’s share of equity	<u>\$ 3,282,036</u>
Net income	<u>\$ 28,649</u>
Partnership’s share of net income	<u>\$ 8,629</u>

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Notes to Financial Statements - Continued

5. Lease Investment Held in Escrow

During the quarter ended September 30, 2001, the Partnership entered into a binding purchase agreement to purchase a Boeing 757-200ER aircraft subject to a 17 month lease. The Partnership deposited \$4,323,196 into an escrow account pending consummation of the transaction (see Note 3). Consummation of the purchase transaction is expected to occur on or prior to February 28, 2002. The Partnership expects to borrow approximately \$24.2 million in non-recourse debt with a total purchase price at closing approximating \$28.5 million.

6. Investments in Unguaranteed Residual Values

In the quarter ended September 30, 2001, the Partnership acquired residual interests in a portfolio of technology and other equipment leases for \$792,148.

The investment is carried at cost until sale of the equipment, at which time a gain or loss will be recognized on each transaction, however, until the equipment is sold, the investment will be subject to the Partnership's policy relating to impairment of residuals, as disclosed in the notes to financial statements in the Partnership's 2000 Form 10-K. No income will be recognized until the underlying equipment is sold. Expiration of the underlying leases commences in 2003.

7. Contingencies

Limited partners who purchased units after June 7, 2001 and before August 18, 2001 have the right to require the Partnership to repurchase his or her units within the one-year period following such purchase since certain information contained in the prospectus used during this period was not as current as required by the rules of the Securities and Exchange Commission. The repurchase price would be equal to the offering price per unit less any distributions received with respect to such units. 142,049.4793 units were sold during this period resulting in gross offering proceeds of \$14,204,947.93 which units comprise 18.94% of all units that the Partnership sold. If a substantial number of these limited partners choose to have their units repurchased and the Partnership's available cash were less than the amount needed to repurchase the units, the Partnership would have to sell equipment or borrow in order to fund these repurchases. If the Partnership were not able to resell the repurchased units, the Partnerships investments may be less diversified than they would have been if the maximum offering were raised. There were no unit repurchase transactions during the quarter ended September 30, 2001.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

September 30, 2001

Item 2: General Partner's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations for the Three Months Ended September 30, 2001 and 2000

For the three months ended September 30, 2001, the Partnership purchased equipment subject to lease at a cost of \$2,832,333 and purchased residual interests in a portfolio of equipment leases at a cost of \$792,148. The Partnership also invested \$3,273,407 in three joint ventures with L.P. Seven which owns and controls three off-shore vessels. The Partnership also committed to purchase aircraft equipment for a total purchase price of approximately \$28.5 million.

For the three months ended September 30, 2000, the Partnership purchased equipment subject to lease with an initial cost of \$5,303,088 to one lessee.

Revenues for the three months ended September 30, 2001 were \$5,294,812 representing an increase of \$5,074,380 over the 2000 period. The increase in revenue resulted from the significant increase in the size of the lease portfolio from one year ago. Revenues for the three months ended September 30, 2001 was comprised of rental income of \$4,504,568, finance income of \$675,440, interest income and other of \$59,567, gain on sale of equipment of \$46,608, and income from investment in joint venture of \$8,629.

Expenses for the three months ended September 30, 2001 were \$5,289,063 representing an increase of \$5,165,564 over the 2000 period. The increase in expenses also resulted from the increase in the size of the Partnership's lease investments portfolio, an increase in Partnership borrowing levels and overall growth in size of the operations of the Partnership from one year ago. Expenses for the three month period ended September 30, 2001 was comprised of depreciation of \$3,133,942, interest expense of \$1,396,592, management fees - General Partner of \$380,673, administrative expense reimbursements - General Partner of \$169,180, amortization of initial direct costs of \$64,443, minority interest expense of \$39,309, and general and administrative expense of \$104,924.

Net income for the three months ended September 30, 2001 and 2000 was \$5,749 and \$96,933, respectively. The net income per weighted average limited partnership unit outstanding was \$.01 and \$1.33 for the 2001 and 2000 periods, respectively.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

September 30, 2001

Results of Operations for the Nine Months September 30, 2001 and 2000

As the Partnership commenced operations on June 14, 2000, the results of operations from date of inception to September 30, 2000 do not reflect a full nine months of activity. Revenues for the nine months ended September 30, 2001 were \$14,948,481, representing rental income of \$13,159,408, finance income of \$1,620,766, interest income and other of \$113,070, gain on sale of equipment \$46,608, and income from investment in joint venture of \$8,629. Expenses for the nine months ended September 30, 2001 were \$14,766,205, representing depreciation of \$8,854,350, interest expense of \$4,016,703, management fees - General Partner of \$946,330, administrative expense reimbursements - General Partner of \$401,913, amortization of initial direct costs of \$139,081, minority interest expenses of \$125,944 and general and administrative expense of \$281,884.

Net income for the nine months ended September 30, 2001 and 2000 was \$182,276 and \$108,679, respectively. The net income per weighted average limited partnership unit outstanding was \$.48 and \$1.83 for the 2001 and 2000 periods, respectively.

Liquidity and Capital Resources

The Partnership's primary source of funds for the nine months ended September 30, 2001 were capital contributions, net of offering expenses of \$40,672,703 and net cash provided by operations of \$2,745,473.

Funds generated in 2001 were utilized for investments in leases, joint ventures, and residual values with related costs aggregating \$22,712,574, debt repayments of \$8,348,581 and cash distributions to partners of \$3,061,418. As cash is realized from operations and additional borrowings, the Partnership will continue to invest in equipment leases and financings where it deems it to be prudent while retaining sufficient cash to meet its reserve requirements and recurring obligations.

The Partnership is monitoring closely the impact of a slowing economy and the terrorist attacks of September 11, 2001 on its lessees in certain industries, including the airlines industry. However, as of September 30, 2001 there were no known trends or demands, commitments, events or uncertainties, which are likely to have any material effect on liquidity.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

Item 3. Qualitative and Quantitative Disclosures About Market Risk

The Partnership is exposed to certain market risks, including changes in interest rates. The Partnership believes its exposure to other market risks are insignificant to both its financial position and results of operations.

The Partnership manages its interest rate risk by obtaining fixed rate debt. The fixed rate debt service obligation streams are generally matched by fixed rate lease receivable streams generated by the Partnership's lease investments.

The Partnership borrows funds under a floating rate line of credit and is therefore exposed to interest rate risk until the floating rate line of credit is repaid. The Partnership's had no borrowings outstanding under the floating rate line of credit as of September 30, 2001.

ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)

PART II - OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

No reports on Form 8-K were filed by the Partnership during the quarter ended September 30, 2001.

**ICON Income Fund Eight B L.P.
(A Delaware Limited Partnership)**

SIGNATURES

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 thereunto duly authorized.

ICON Income Fund Eight B L.P.
File No. 333-37504(Registrant)
By its General Partner,
ICON Capital Corp.

November 13, 2001
Date

/s/ Thomas W. Martin
Thomas W. Martin
Executive Vice President
(Principal financial and accounting officer of the
General Partner of the Registrant)