FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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IEA INCOME FUND VIII

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2004

OR

[ ] 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 0-17942

IEA INCOME FUND VIII,

A California Limited Partnership
(Exact name of registrant as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	94-3046886 (I.R.S. Employer Identification No.)

One Front Street, Suite 925, San Francisco, California 94111
(Address of principal executive offices) (Zip Code)

(415) 677-8990
(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 [X]. No [ ].

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [ ]. No [X].

IEA INCOME FUND VIII,
A California Limited Partnership

Report on Form 10-Q for the Quarterly Period
Ended June 30, 2004

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Presented herein are the Registrant' s condensed balance sheets as of June 30, 2004 and December 31, 2003, condensed statements of operations for the three and six months ended June 30, 2004 and 2003, and condensed statements of cash flows for the six months ended June 30, 2004 and 2003, (collectively the "Financial Statements") prepared by the Registrant without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principals generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations, although the Registrant believes that the disclosures are adequate to make the information present not misleading. It is suggested that these Financial Statements be read in conjunction with the financial statements and the notes thereto included in the Registrant' s December 31, 2003 Annual Report on Form 10-K. These Financial Statements reflect, in the opinion of the Registrant and Cronos Capital Corp., the general partner, all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the results for the interim periods. The statements of operations for such interim periods are not necessarily indicative of the results for the full year.

The information in this Quarterly Report on Form 10-Q contains certain "forward-looking statements" within the meaning of the securities laws. These forward-looking statements reflect the current view of the Registrant with respect to future events and financial performance and are subject to a number of risks and uncertainties, many of which are beyond the Registrant' s control. All statements, other than statements of historical facts included in this report, including the statements under "Management' s Discussion and Analysis of Financial Condition and Results of Operations," regarding the Registrant' s strategy, future operations, financial position, estimated revenues, projected costs, prospects, plans and objectives of the Registrant are forward-looking statements. When used in this report, the words "will", "believe", "anticipate", "intend", "estimate", "expect", "project", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. All forward-looking statements speak only as of the date of this report. The Registrant does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Although the Registrant believes that its plans, intentions and expectations reflected in or suggested by the forward-looking statements made in this report are reasonable, the Registrant can give no assurance that these plans, intentions or expectations will be achieved. Future economic and industry trends that could potentially impact revenues and profitability are difficult to predict.

IEA INCOME FUND VIII,
A California Limited Partnership

Condensed Balance Sheets

(Unaudited)

	June 30, 2004	December 31, 2003
Assets		
Current assets:		
Cash and cash equivalents, includes $236,994 at June 30, 2004 and $261,416 at December 31, 2003 in interest-bearing accounts	$ 267,030	$ 293,068
Net lease receivables due from Leasing Company (notes 1 and 2)	22,725	7,046
Total current assets	289,755	300,114
Container rental equipment, at cost	2,355,423	2,645,655
Less accumulated depreciation	(1,929,732)	(2,152,409)
Net container rental equipment	425,691	493,246
Total assets	$ 715,446	$ 793,360
Partners' Capital		
Partners' capital (deficit):		
General partner	(152,765)	$ (185,339)
Limited partners	868,211	978,699
Total partners' capital	$ 715,446	$ 793,360

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

IEA INCOME FUND VIII,
A California Limited Partnership

Condensed Statements of Operations

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
Net lease revenue (notes 1 and 3)	$ 42,242	$ 41,299	$ 78,245	$ 83,570
Other operating income (expenses):				
Depreciation	(13,422)	(38,830)	(27,624)	(96,420)
Other general and administrative expenses	(13,030)	(10,448)	(26,671)	(24,329)
Net gain on disposal of equipment	15,522	12,123	33,829	17,598
Income (loss) from operations	31,312	4,144	57,779	(19,581)
Other income:				
Interest income	154	365	320	747
Net income (loss)	$ 31,466	$ 4,509	$ 58,099	$ (18,834)
Allocation of net income (loss):				
General partner	$ 21,055	$ 12,048	$ 47,688	$ 17,234
Limited partners	10,411	(7,539)	10,411	(36,068)
	$ 31,466	$ 4,509	$ 58,099	$ (18,834)
Limited partners' per unit share of net income (loss)	$ 0.48	$ (0.35)	$ 0.48	$ (1.68)

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

IEA INCOME FUND VIII,
A California Limited Partnership

Condensed Statements of Cash Flows

(Unaudited)

	Six Months Ended	
	June 30, 2004	June 30, 2003
Net cash provided by operating activities	$ 40,412	$ 54,601
Cash provided by investing activities:		
Proceeds from sale of rental equipment	69,563	85,588
Cash flows used in financing activities:		
Distribution to general partners	(15,113)	(7,556)
Distribution to limited partners	(120,900)	(60,450)
	(136,013)	(68,006)
Net (decrease) increase in cash and cash equivalents	(26,038)	72,183
Cash and cash equivalents at the beginning of the period	293,068	260,667
Cash and cash equivalents at the end of the period	$ 267,030	$ 332,850

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

IEA INCOME FUND VIII,
A California Limited Partnership

Notes to Unaudited Condensed Financial Statements

(1) Summary of Significant Accounting Policies

(a) Nature of Operations

IEA Income Fund VIII, A California Limited Partnership (the "Partnership"), was organized under the laws of the State of California on August 31, 1987 for the purpose of owning and leasing marine cargo containers worldwide to ocean carriers. To this extent, the Partnership' s operations are subject to the fluctuations of world economic and political conditions. Such factors may affect the pattern and levels of world trade. The Partnership believes that the profitability of, and risks associated with, leases to foreign customers is generally the same as those of leases to domestic customers. The Partnership' s leases generally require all payments to be made in United States currency.

Cronos Capital Corp. ("CCC") is the general partner and, with its affiliate Cronos Containers Limited (the "Leasing Company"), manages the business of the Partnership. CCC and the Leasing Company also manage the container leasing business for other partnerships affiliated with CCC. The Partnership shall continue until December 31, 2008, unless sooner terminated upon the occurrence of certain events.

The Partnership commenced operations on January 6, 1988, when the minimum subscription proceeds of $1,000,000 were obtained. The Partnership offered 40,000 units of limited partnership interest at $500 per unit, or $20,000,000. The offering terminated on August 31, 1988, at which time 21,493 limited partnership units had been sold.

The decision to dispose of containers is influenced by various factors including age, condition, suitability for continued leasing as well as the geographical location when disposed. Although the Partnership' s fleet size has been reduced to approximately 18% of its original fleet size, CCC has made the decision to continue the Partnership' s leasing operations and to capitalize on the current, favorable market conditions. Within the next twenty-four months, the Partnership is expected to enter the final phase of its liquidation and wind-up stage of operations by disposing of its remaining fleet and focusing on the collection of its lease receivables, a component of net lease receivables. The Partnership will thereafter undertake a final distribution to its partners, then cancel the Certificate of Limited Partnership, thus terminating and dissolving the Partnership.

(b) Leasing Company and Leasing Agent Agreement

Pursuant to the Limited Partnership Agreement of the Partnership, all authority to administer the business of the Partnership is vested in CCC. A Leasing Agent Agreement exists between CCC and the Leasing Company, whereby the Leasing Company has the responsibility to manage the leasing operations of all equipment owned by the Partnership. Pursuant to the Agreement, the Leasing Company is responsible for leasing, managing and re-leasing the Partnership' s containers to ocean carriers, and has full discretion over which ocean carriers and suppliers of goods and services it may deal with. The Leasing Agent Agreement permits the Leasing Company to use the containers owned by the Partnership, together with other containers owned or managed by the Leasing Company and its affiliates, as part of a single fleet operated without regard to ownership. Since the Leasing Agent Agreement meets the definition of an operating lease in Statement of Financial Accounting Standards (SFAS) No. 13, it is accounted for as a lease under which the Partnership is lessor and the Leasing Company is lessee.

(Continued)

IEA INCOME FUND VIII,
A California Limited Partnership

Notes to Unaudited Condensed Financial Statements

(b) Leasing Company and Leasing Agent Agreement (continued)

The Leasing Agent Agreement generally provides that the Leasing Company will make payments to the Partnership based upon rentals collected from ocean carriers after deducting direct operating expenses and management fees to CCC. The Leasing Company leases containers to ocean carriers, generally under operating leases which are either master leases or term leases (mostly one to five years). Master leases do not specify the exact number of containers to be leased or the term that each container will remain on hire but allow the ocean carrier to pick up and drop off containers at various locations, and rentals are based upon the number of containers used and the applicable per-diem rate. Accordingly, rentals under master leases are all variable and contingent upon the number of containers used. Most containers are leased to ocean carriers under master leases; leasing agreements with fixed payment terms are not material to the financial statements. Since there are no material minimum lease rentals, no disclosure of minimum lease rentals is provided in these financial statements.

(c) Basis of Accounting

The Partnership utilizes the accrual method of accounting. Net lease revenue is recorded by the Partnership in each period based upon its leasing agent agreement with the Leasing Company. Net lease revenue is generally dependent upon operating lease rentals from operating lease agreements between the Leasing Company and its various lessees, less direct operating expenses and management fees due in respect of the containers specified in each operating lease agreement.

(d) Container Rental Equipment

In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," container rental equipment is considered to be impaired if the carrying value of the asset exceeds the expected future cash flows from related operations (undiscounted and without interest charges). If impairment is deemed to exist, the assets are written down to fair value. An analysis is prepared each quarter projecting future cash flows from container rental equipment operations. Current and projected utilization rates, per-diem rental rates, direct operating expenses, fleet size and container disposals are the primary variables utilized by the analysis. Additionally, the Partnership evaluates future cash flows and potential impairment by container type rather than for each individual container, and as a result, future losses could result for individual container dispositions due to various factors, including age, condition, suitability for continued leasing, as well as the geographical location of containers when disposed. There were no impairment charges to the carrying value of container rental equipment for the three and six-month periods ended June 30, 2004 and 2003.

Depreciation policies are also evaluated to determine whether subsequent events and circumstances warrant revised estimates of useful lives. Container rental equipment is depreciated using the straight-line basis.

(e) Use of Estimates

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which requires the Partnership to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(Continued)

IEA INCOME FUND VIII,
A California Limited Partnership

Notes to Unaudited Condensed Financial Statements

(e) Use of Estimates (continued)

The most significant estimates included within the financial statements are the container rental equipment estimated useful lives and residual values, and the estimate of future cash flows from container rental equipment operations, used to determine the adequacy of the carrying value of container rental equipment in accordance with SFAS No. 144. Considerable judgment is required in estimating future cash flows from container rental equipment operations. Accordingly, the estimates may not be indicative of the amounts that may be realized in future periods. As additional information becomes available in subsequent periods, recognition of an impairment of the container rental equipment carrying values may be necessary based upon changes in market and economic conditions.

(f) Financial Statement Presentation

These financial statements have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted pursuant to such rules and regulations, although the Registrant believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and accompanying notes in the Partnership' s December 31, 2003 Annual Report on Form 10-K.

The interim financial statements presented herewith reflect in the opinion of management, all adjustments of a normal recurring nature necessary to present fairly the results for the interim periods presented. The results of operations for such interim periods are not necessarily indicative of the results to be expected for the full year.

(2) Net Lease Receivables Due from Leasing Company

Net lease receivables due from the Leasing Company are determined by deducting direct operating payables and accrued expenses, base management fees payable, reimbursed administrative expenses payable, and incentive fees payable to CCC and its affiliates from the rental billings earned by the Leasing Company under operating leases to ocean carriers for the containers owned by the Partnership, as well as proceeds earned from container disposals. Net lease receivables at June 30, 2004 and December 31, 2003 were as follows:

	June 30, 2004	December 31, 2003
Gross lease receivables	$ 79,859	$ 75,139
Less:		
Direct operating payables and accrued expenses	37,596	45,139
Base management fees payable	2,072	2,095
Reimbursed administrative expenses	1,500	1,566
Allowance for doubtful accounts	10,090	10,058
Incentive fees	5,876	9,235
Net lease receivables	$ 22,725	$ 7,046

(Continued)

IEA INCOME FUND VIII,
A California Limited Partnership

Notes to Unaudited Condensed Financial Statements

(3) Net Lease Revenue

Net lease revenue is determined by deducting direct operating expenses, base management and incentive fees and reimbursed administrative expenses to CCC from the rental revenue earned by the Leasing Company under operating leases to ocean carriers for the containers owned by the Partnership. Net lease revenue for the three and six-month periods ended June 30, 2004 and 2003 was as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
Rental revenue (note 4)	$ 63,394	$ 70,395	$ 126,720	$ 141,984
Less:				
Rental equipment operating expenses	9,507	13,395	18,763	31,914
Base management fees	4,357	2,033	8,814	3,912
Reimbursed administrative expenses	4,534	5,268	9,144	10,830
Incentive fees	2,754	8,400	11,754	11,758
Net lease revenue	$ 42,242	$ 41,299	$ 78,245	$ 83,570

(4) Operating Segment

An operating segment is a component of an enterprise that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the enterprise' s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and about which separate financial information is available. The Leasing Company operates the Partnership' s container fleet as a homogenous unit and has determined that as such it has a single reportable operating segment.

The Partnership derives its revenues from dry cargo containers used by its customers in global trade routes. As of June 30, 2004, the Partnership operated 444 twenty-foot, 396 forty-foot and 23 forty-foot high-cube marine dry cargo containers.

Due to the Partnership' s lack of information regarding the physical location of its fleet of containers when on lease in the global shipping trade, the Partnership believes that it does not possess discernible geographic reporting segments as defined in SFAS No. 131 (“SFAS 131”), “Disclosures about Segments of an Enterprise and Related Information.”

Item 2. Management' s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of the Registrant' s historical financial condition and results of operations should be read in conjunction with the Registrant' s December 31, 2003 Annual Report on Form 10-K and the financial statements and the notes thereto appearing elsewhere in this report.

General

Pursuant to the Limited Partnership Agreement of the Partnership, all authority to administer the business of the Partnership is vested in CCC. A Leasing Agent Agreement exists between CCC and the Leasing Company, whereby the Leasing Company has the responsibility to manage the leasing operations of all equipment owned by the Registrant. Pursuant to the Agreement, the Leasing Company is responsible for leasing, managing and re-leasing the Registrant' s containers to ocean carriers, and has full discretion over which ocean carriers and suppliers of goods and services it may deal with. The Leasing Agent Agreement permits the Leasing Company to use the containers owned by the Registrant, together with other containers owned or managed by the Leasing Company and its affiliates, as part of a single fleet operated without regard to ownership. At June 30, 2004, 18% of the original equipment remained in the Registrant' s fleet, as compared to 20% at December 31, 2003. The following chart summarizes the composition of the Registrant' s fleet (based on container type) at June 30, 2004.

	20-Foot	40-Foot	40-Foot High-Cube
Containers on lease:			
Term leases	318	294	7
Master leases	115	89	14
Subtotal	433	383	21
Containers off lease	11	13	2
Total container fleet	444	396	23

	20-Foot		40-Foot		40-Foot High-Cube	
	Units	%	Units	%	Units	%
Total purchases	2,244	100%	2,396	100%	150	100%
Less disposals	1,800	80 %	2,000	83 %	127	85 %
Remaining fleet at June 30, 2004	444	20 %	396	17 %	23	15 %

The general increase in trade volumes that emerged during the three-month period ending March 31, 2004, continued during the three-month period ending June 30, 2004, contributing to stronger container leasing market conditions and higher levels of demand for new and existing containers. The Registrant' s dry cargo container utilization measured 97% at June 30, 2004, compared to 92% at December 31, 2003.

The six-month period ending June 30, 2004 experienced substantial growth in container trade volumes, especially within Asia-Europe and intra-Asian trade routes. China' s import and export markets were a catalyst to this growth. These increases in trade volumes exasperated the world' s ports and railroads, contributing to congestion and additional demand in some locations.

Although container manufacturers stepped up production in the first half of 2004 in order to meet the increased container demand by shipping lines, production of new containers was hampered somewhat by steel shortages earlier in the year, contributing to stronger market conditions for leased containers. As steel prices increased during 2004, the price of a new twenty-foot dry cargo container also increased to as high as $2,000 in the first and second quarters of 2004, compared to $1,350 in the latter part of 2003.

(Continued)

Off-hire inventories of older containers throughout the world declined, as shipping lines employed more leased containers to meet their container requirements. This decline in inventories has resulted in substantial decreases in storage expenses, and expenditures to reposition containers from low demand locations to locations of higher demand. Declining inventories have also contributed to an increase in proceeds per container realized on the sale of used containers, as fewer containers were available to meet the demand of buyers of existing containers. The Registrant’ s dry cargo inventory of off-hire containers at June 30, 2004 decreased approximately 82% in comparison to June 30, 2003.

Per-diem rates for new containers increased in line with the increase in new container costs, while per diems for older containers remained relatively unchanged, as the lease market for older containers remains competitive, and therefore, subject to significant pricing pressures. The Registrant’ s average dry cargo container per-diem rate for the three-month period ended June 30, 2004 increased approximately 1% in comparison to the same period in the prior year.

Although favorable market conditions currently exist for container lessors, the current market conditions may negatively impact the shipping lines. Sharply rising charter rates for ships, combined with the rise in steel prices and the related increase in new container prices, have created a concern for both the shipping lines and therefore, the leasing companies. Although some shipping lines have experienced an increase in freight rates in line with the strong demand on major trade routes, some shipping lines are facing increased financial pressures, especially those shipping lines that rely on operating their containerships via short-term charters. Current conditions appear to favor the larger more established shipping lines, which have witnessed strong recoveries in their performance over the last few quarters. Some regional intra-Asia shipping lines have cut back services in some routes in an attempt to reduce their rising costs. The Registrant, CCC and the Leasing Company remain cautious, and continue to monitor the aging of lease receivables, collections and the credit exposure to various existing and new customers. The financial impact of losses from these shipping lines may eventually influence the demand for leased containers, as some shipping lines may experience additional financial difficulties, consolidate, or become insolvent.

Lastly, wide-ranging concerns remain regarding recovery of the world’ s major economies, including the price of oil, inflation concerns and its impact on interest rates, US trade and budget deficits, China’ s efforts to cool its economy, performance of global stock markets, geopolitical concerns arising from uncertainties within the Middle East and Asia, threats of another major terrorist attack, as well as new container production levels, all of which may have an impact on the current demand for leased containers.

The Registrant’ s average fleet size and utilization rates for the three and six-month periods ended June 30, 2004 and 2003 were as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2004	**June 30, 2003**	**June 30, 2004**	**June 30, 2003**
Average fleet size (measured in twenty-foot equivalent units (TEU))	1,354	1,665	1,386	1,703
Average utilization	94 %	84 %	93 %	84 %

The primary component of the Registrant’ s results of operations is net lease revenue. Net lease revenue is determined by deducting direct operating expenses, management and incentive fees and reimbursed administrative expenses, from rental revenues billed by the Leasing Company from the leasing of the Registrant’ s containers. Net lease revenue is directly related to the size, utilization and per-diem rental rates of the Registrant’ s fleet.

(Continued)

Three Months Ended June 30, 2004 Compared to the Three Months Ended June 30, 2003

Net lease revenue of $42,242 for the three months ended June 30, 2004 was $943 higher than the corresponding period of 2003. The increase was due to a $3,888 decline in rental operating expenses, as well as a combined $4,056 decline in management and related fees. These decreases were partially offset by a $7,001 decline in gross rental revenue (a component of net lease revenue) from the same period in 2003, a result of Registrant' s smaller fleet size, partially offset by an increase in utilization rates. The decline in rental equipment operating expenses, which includes storage expenses, was primarily attributable to the Registrant' s reduction in fleet size and favorable utilization levels.

Depreciation expense of $13,422 for the three months ended June 30, 2004 was $25,408 lower than the same period in 2003, a direct result of the Registrant' s aging and declining fleet size.

Other general and administrative expenses were $13,030 for the three months ended June 30, 2004, an increase of $2,582, or 24%, when compared to the corresponding period in 2003, primarily due to an increase in investor communication expenses.

Net gain on disposal of equipment was a result of the Registrant disposing of 68 containers during the three-month period ended June 30, 2004, as compared to 51 containers during the same period in 2003. These disposals resulted in a net gain of $15,522 for the three-month period ended June 30, 2004, as compared to $12,123 for the three-month period ended June 30, 2003. The Registrant believes that the net gain on container disposals in the three-month period ended June 30, 2004 was a result of various factors including the volume of disposed containers, age, condition, suitability for continued leasing, as well as the geographical location of the containers when dispose. These factors will continue to influence the amount of sales proceeds received and the related gain or loss on container disposals. The level of the Registrant' s container disposals in subsequent periods, as well as the price of steel, new container prices, and the current leasing market' s impact on sales prices for existing, older containers, such as those owned by the Registrant, will also contribute to fluctuations in the net gain or loss on disposals. There were no reductions to the carrying value of container rental equipment due to impairment during the three-month periods ended June 30, 2004 and 2003.

Six Months Ended June 30, 2004 Compared to the Six Months Ended June 30, 2003

Net lease revenue of $78,245 for the six months ended June 30, 2004 was $5,325 lower than the corresponding period of 2003. The decrease was due to a $15,264 decline in gross rental revenue (a component of net lease revenue) from the same period in 2003. Gross rental revenue was impacted by the Registrant' s smaller fleet size, partially offset by higher utilization rates. Other components of net lease revenue, including management and incentive fees, rental equipment operating expense and reimbursed administrative expenses were lower by a combined $9,939 when compared to the corresponding period in 2003. The decline in rental equipment operating expenses were attributable to the Registrant' s reduction in fleet size and favorable utilization levels. The decline in these components of net lease revenue partially offset the decline in gross lease revenue.

Depreciation expense of $27,624 for the six months ended June 30, 2004 was $68,796 lower than the same period in 2003, a direct result of the Registrant' s aging and declining fleet size.

Other general and administrative expenses were $26,671 for the six months ended June 30, 2004, an increase of $2,343, or 10%, when compared to the corresponding period in 2003, primarily due to an increase in investor communication expenses.

Net gain on disposal of equipment was a result of the Registrant disposing of 101 containers during the six-month period ended June 30, 2004, as compared to 98 containers during the same period in 2003. These disposals resulted in a net gain of $33,829 for the six-month period ended June 30, 2004, as compared to $17,598 for the six-month period ended June 30, 2003. There were no reductions to the carrying value of container rental equipment during the six-month periods ended June 30, 2004 and 2003. The Registrant believes that the net gain on container disposals in the six-month period ended June 30, 2004 was a result of various factors including the volume of disposed containers, age, condition, suitability for continued leasing, as well as the geographical location of the containers when dispose. These factors will continue to influence the amount of sales proceeds received and the related gain or loss on container disposals. The level of the Registrant' s container disposals in subsequent periods, as well as the price of steel, new container prices, and the current leasing market' s impact on sales prices for existing, older containers, such as those owned by the Registrant, will also contribute to fluctuations in the net gain or loss on disposals. There were no reductions to the carrying value of container rental equipment due to impairment during the six-month periods ended June 30, 2004 and 2003.

(Continued)

Liquidity and Capital Resources

Cash from Operating Activities: Net cash provided by operating activities was $40,412 and $54,601 during the first six months of 2004 and 2003, respectively, primarily generated from the billing and collection of net lease revenue.

Cash from Investing Activities: Net cash provided by investing activities during the six-month periods ending June 30, 2004 and 2003, included sales proceeds generated from the sale of rental equipment of $69,563 and $85,588, respectively.

Cash from Financing Activities: Net cash used in financing activities was $136,013 during the first six months of 2004 compared to $68,006 in the corresponding period of 2003. These amounts represent distributions to the Registrant' s general and limited partners. The Registrant' s continuing container disposals, as well as current market conditions, should produce lower operating results and, consequently, lower distributions to its partners in subsequent periods. Sales proceeds distributed to its partners may fluctuate in subsequent periods, reflecting the level of container disposals. Effective July 1, 2003, the Registrant resumed distributions of cash generated from operations. The distributions had been suspended as of October 1, 2002, in an effort to reserve all excess cash as part of its working capital in order to maintain sufficient cash reserves for expenses related to its final liquidation and subsequent dissolution. The Registrant may also refrain from distributing cash generated from sales proceeds to its partners in subsequent periods.

Capital Resources

Capital Resources: Aside from the initial working capital reserve retained from the gross subscription proceeds (equal to approximately .7% of such proceeds), the Registrant relied primarily on container rental receipts to generate distributions and proceeds from container sales to its general and limited partners, as well as to finance current operating needs. Quarterly distributions are also affected by periodic increases or decreases to working capital reserves, as deemed appropriate by CCC, to ensure cash reserves on hand are sufficient to meet the Registrant' s operating requirements. No credit lines are maintained to finance working capital.

Critical Accounting Policies

The Registrant' s accounting policies are fundamental to understanding management' s discussion and analysis of results of operations and financial condition. The Registrant has identified three policies as being significant because they require the Registrant to make subjective and/or complex judgments about matters that are inherently uncertain. These policies include the following:

Container equipment − depreciable lives

Container equipment − valuation

Allowance for doubtful accounts

The Registrant, in consultation with its audit committee, has reviewed and approved these significant accounting policies which are further described in the Registrant' s 2003 Annual Report on Form 10-K.

Inflation

The Registrant believes inflation has not had a material adverse effect on the results of its operations.

(Continued)

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Exchange rate risk: Substantially all of the Registrant' s revenues are billed and paid in US dollars and a significant portion of costs are billed and paid in US dollars. The Leasing Company believes that the proportion of US dollar revenues may decrease in future years, reflecting a more diversified customer base and lease portfolio. Of the remaining costs, the majority are individually small, unpredictable and incurred in various denominations and thus are not suitable for cost effective hedging.

The Leasing Company may hedge a portion of the expenses that are predictable and are principally in UK pounds sterling. As exchange rates are outside of the control of the Registrant and Leasing Company, there can be no assurance that such fluctuations will not adversely affect its results of operations and financial condition.

Item 4. Controls and Procedures

The principal executive and principal financial officers of CCC have evaluated the disclosure controls and procedures of the Registrant as of the end of the period covered by this report. As used herein, the term "disclosure controls and procedures" has the meaning given to the term by Rule 13a-15 under the Securities Exchange Act of 1934, as amended ("Exchange Act"), and includes the controls and other procedures of the Registrant that are designed to ensure that information required to be disclosed by the Registrant in the reports that it files with the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC' s rules and forms. Based upon their evaluation, the principal executive and principal financial officers of CCC have concluded that the Registrant' s disclosure controls and procedures were effective such that the information required to be disclosed by the Registrant in this report is recorded, processed, summarized and reported within the time periods specified in the SEC' s rules and forms applicable to the preparation of this report and is accumulated and communicated to CCC' s management, including CCC' s principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

There have been no significant changes in the Registrant' s internal controls or in other factors that could significantly affect the Registrant' s internal controls subsequent to the evaluation described above conducted by CCC' s principal executive and financial officers.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable.

Item 2. Changes in Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submissions of Matters to a Vote of Securities Holders

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	Description	Method of Filing
3(a)	Limited Partnership Agreement of the Registrant, amended and restated as of October 13, 1987	*
3(b)	Certificate of Limited Partnership of the Registrant	**
31.1	Rule 13a-14 Certification	Filed with this document
31.2	Rule 13a-14 Certification	Filed with this document
32	Section 1350 Certification	Filed with this document ***

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Registrant during the three-month period ended June 30, 2004.

*	Incorporated by reference to Exhibit “A” to the Prospectus of the Registrant dated October 13, 1987, included as part of Registration Statement on Form S-1 (No. 33-16984)
**	Incorporated by reference to Exhibit 3.4 to the Registration Statement on Form S-1 (No. 33-16984)
***	This certification, required by Section 906 of the Sarbanes-Oxley Act of 2002, other than as required by Section 906, is not to be deemed “filed” with the Commission or subject to the rules and regulations promulgated by the Commission under the Securities Exchange Act of 1934, as amended, or to the liabilities of Section 18 of said Act.

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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.

IEA INCOME FUND VIII,
A California Limited Partnership

By Cronos Capital Corp.
The General Partner

By /s/ Dennis J. Tietz
Dennis J. Tietz
President and Director of Cronos Capital Corp. ("CCC")
Principal Executive Officer of CCC

By /s/ John Kallas
John Kallas
Chief Financial Officer and
Director of Cronos Capital Corp. ("CCC")
Principal Financial and Accounting Officer of CCC

Date: August 12, 2004

EXHIBIT INDEX

Exhibit No.	Description	Method of Filing
3(a)	Limited Partnership Agreement of the Registrant, amended and restated as of October 13, 1987	*
3(b)	Certificate of Limited Partnership of the Registrant	**
31.1	Rule 13a-14 Certification	Filed with this document
31.2	Rule 13a-14 Certification	Filed with this document
32	Section 1350 Certification	Filed with this document ***

* Incorporated by reference to Exhibit "A" to the Prospectus of the Registrant dated October 13, 1987, included as part of Registration Statement on Form S-1 (No. 33-16984)

** Incorporated by reference to Exhibit 3.4 to the Registration Statement on Form S-1 (No. 33-16984)

*** This certification, required by Section 906 of the Sarbanes-Oxley Act of 2002, other than as required by Section 906, is not to be deemed "filed" with the Commission or subject to the rules and regulations promulgated by the Commission under the Securities Exchange Act of 1934, as amended, or to the liabilities of Section 18 of said Act.

EXHIBIT 31.1

IEA Income Fund VIII

Rule 13a-14 CERTIFICATION

I, Dennis J. Tietz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IEA Income Fund VIII (the “Registrant”);

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report;

4. The other certifying officer of Cronos Capital Corp. (“CCC”), the General Partner of the Registrant, and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and we have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared; and

(b) evaluated the effectiveness of the Registrant’ s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, based on our evaluation; and

(c) disclosed in this report any change in the Registrant’ s internal control over financial reporting that occurred during the Registrant’ s most recent fiscal quarter (the Registrant’ s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’ s internal control over financial reporting.

5. CCC’ s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’ s auditors and the Audit Committee of Registrant’ s Board of Directors (or persons performing the equivalent function):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’ s ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’ s internal control over financial reporting.

Date: August 12, 2004

/s/ DENNIS J TIETZ

Dennis J Tietz
President of CCC
(Chief Executive Officer)

EXHIBIT 31.2

IEA Income Fund VIII

Rule 13a-14 CERTIFICATION

I, John Kallas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IEA Income Fund VIII (the "Registrant");

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report;

4. The other certifying officer of Cronos Capital Corp. ("CCC"), the General Partner of the Registrant, and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and we have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared; and

(b) evaluated the effectiveness of the Registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, based on our evaluation; and

(c) disclosed in this report any change in the Registrant' s internal control over financial reporting that occurred during the Registrant' s most recent fiscal quarter (the Registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant' s internal control over financial reporting.

5. CCC' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant' s auditors and the Audit Committee of Registrant' s Board of Directors (or persons performing the equivalent function):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant' s ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant' s internal control over financial reporting.

Date: August 12, 2004

/s/ JOHN KALLAS

John Kallas
Vice President and
Chief Financial Officer of CCC

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002*

In connection with the Quarterly Report of IEA Income Fund VIII (the “Registrant”) on Form 10-Q for the quarterly period ended June 30, 2004, as filed with the Securities and Exchange Commission (the “Report”), the undersigned, Dennis J. Tietz, the President and Chief Executive Officer of Cronos Capital Corp., the General Partner of the Registrant, and John Kallas, the Chief Financial Officer of Cronos Capital Corp., certify, based on their knowledge, that:

(i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Registrant.

August 12, 2004

By /s/ Dennis J. Tietz
Dennis J. Tietz, President and Chief Executive Officer of Cronos Capital Corp., General Partner of the Registrant

/s/ John Kallas
John Kallas, Chief Financial Officer of Cronos Capital Corp., General Partner of the Registrant

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO THE COMPANY AND WILL BE RETAINED BY THE COMPANY AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

* This certification, required by Section 906 of the Sarbanes-Oxley Act of 2002, other than as required by Section 906, shall not be deemed to be “filed” with the Commission or subject to the rules and regulations promulgated by the Commission under the Securities Exchange Act of 1934, as amended, or to the liabilities of Section 18 of said Act.