

McGRATH

Oppenheimer's 8th Annual Industrial Growth Summit

May 14, 2013
NASDAQ – MGRC



mgrc.com

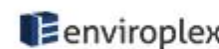


McGrath RentCorp Safe Harbor

This presentation contains statements, which constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to a number of risks and uncertainties. These statements appear in a number of places. Such statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “estimates”, “will”, “should”, “plans” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy, opportunities or targets. These forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties. Actual results may vary materially from those in the forward-looking statements as a result of various factors. Important factors that could cause actual results to differ materially from the Company’s expectations are disclosed under "Risk Factors" and elsewhere in the Company’s Form 10-K, Form 10-Q and other SEC filings. The Company assumes no obligation to update any forward-looking statements contained in this presentation as a result of new information, future events, or developments.

Adjusted EBITDA

The Company defines Adjusted EBITDA as net income before minority interest in income of subsidiary, interest expense, provision for income taxes, depreciation, amortization, and non-cash stock compensation and impairment charges. A reconciliation of Adjusted EBITDA to the most comparable GAAP measures is disclosed in the company’s earnings press releases and in SEC filings.



McGrath RentCorp Business to Business Rentals



LIQUID AND SOLID CONTAINMENT SOLUTIONS



MODULAR CLASSROOMS AND OFFICES



PORTABLE STORAGE SOLUTIONS



HIGH PERFORMANCE MODULAR BUILDINGS



ELECTRONIC TEST EQUIPMENT

Business to Business Rentals

Market Leadership

- **Mobile Modular** – the leader in California, Southeast Texas and the Florida education market
- **TRS-RenTelco** – a leader in the Americas
- **Adler Tank Rentals** – fastest growing domestic tank rental business

Strong Rental Acumen

- Asset Management
- Product Application
- Service
- Innovation

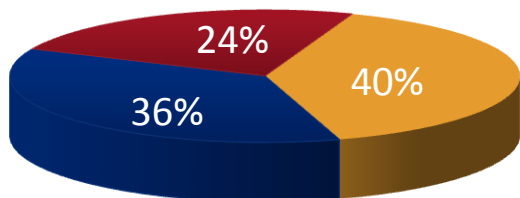
Solid Financial Foundation

- Low leveraged balance sheet
- Strong operating cash flows
- Significant recent investments in new rental equipment for long term growth initiatives

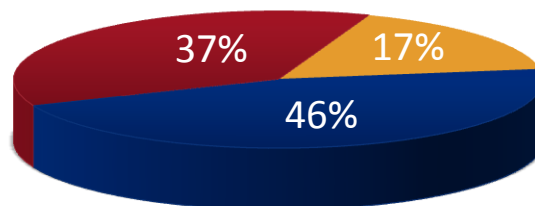


2012 Contribution by Division

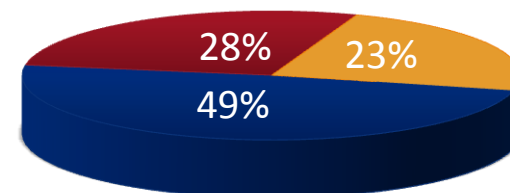
Total Revenues – \$364M



Net Income – \$45M

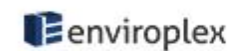


Adjusted EBITDA – \$158M






- Modularity
- Electronics
- Adler

- Adler Tank Rentals was acquired by McGrath RentCorp on December 11, 2008
- Modularity includes Enviroplex and Portable Storage
- Electronics includes Environmental Test Equipment
- Adjusted EBITDA is defined on page 2

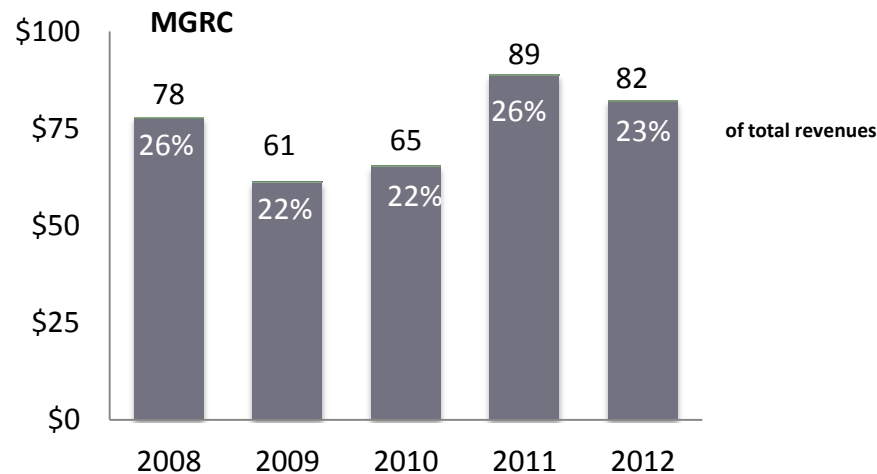
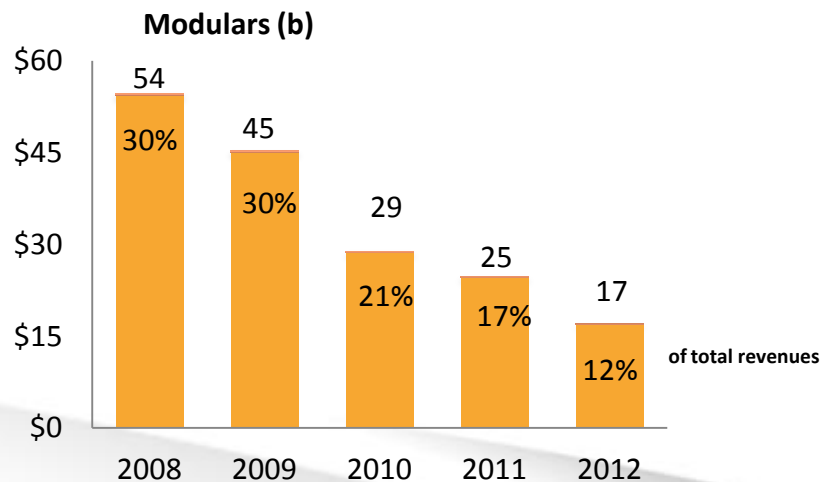
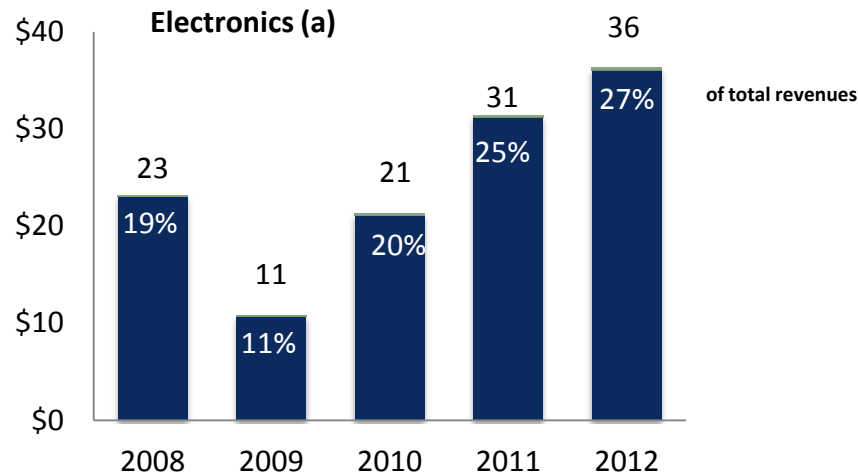
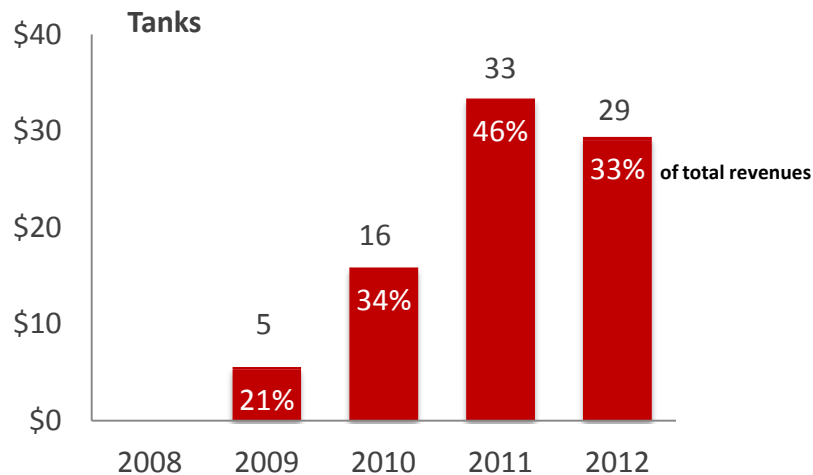


Typical Rental Assets Investment Metrics

	Depreciable Life	Time to Recover Original Cost (1)	Average Age of Asset Sold	Gross Margin on Used Asset Sales	IRR Target (after tax)
	20 years (zero residual value)	~ 3 years	N/A	N/A	10%-12%
	~ 6 years (zero residual value)	~ 3 years	3-4 years	~ 30 – ~ 40%	12%-15%
	18 years (50% residual value)	~ 7 years	10-12 years	~ 30 – ~ 40%	10%-12%

(1) Short term rental rates typically cover the Company's original investment based on the respective product's annual yield, or annual rental revenues divided by the average cost of the rental inventory.

2008-2012 EBIT



a) Includes Environmental Test
 b) Includes Portable Storage and Enviroplex

Operating Results

	Twelve months ended December 31			Three months ended March 31		
	2012	2011	% Change	2013	2012	% Change
Rental Revenue	\$248.4	\$234.9	6%	\$60.6	\$59.5	2%
Total Revenue	\$364.1	\$342.7	6%	\$88.7	\$78.9	12%
EBIT	\$82.0	\$88.7	-7%	\$17.4	\$18.5	-6%
Net Income	\$44.8	\$49.6	-10%	\$9.2	\$9.9	-7%
EPS	\$1.78	\$2.00	-11%	\$0.36	\$0.39	-8%
Adjusted EBITDA (a)	\$158.5	\$161.3	-2%	\$37.3	\$37.0	1%

(a) Adjusted EBITDA defined on page 2.

(dollars in millions except per share amounts)

Balance Sheet

Summary balance sheet information

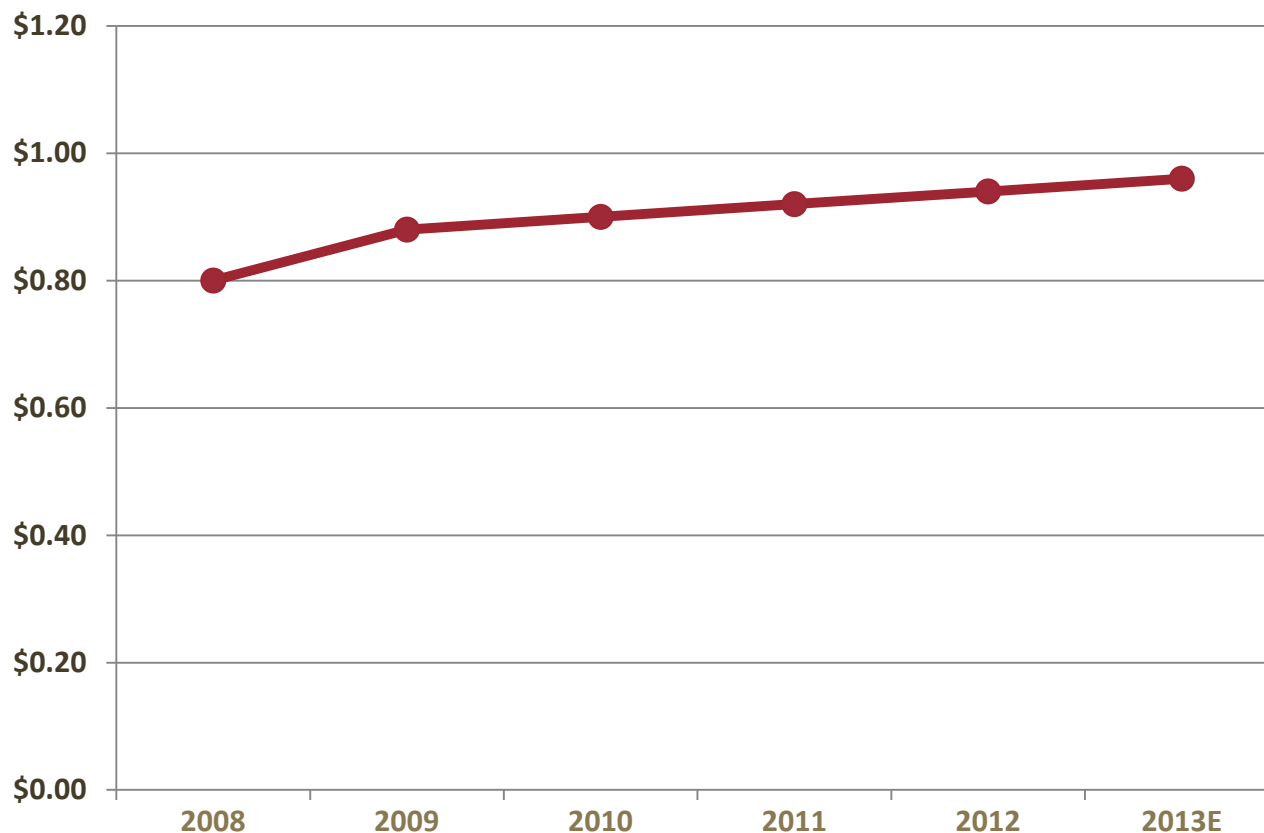
	December 31, <u>2011</u>	December 31, <u>2012</u>	March 31, <u>2013</u>
Rental Equipment, at cost			
Modulars	\$ 539	\$ 551	\$ 558
Electronics	259	267	267
Tanks	201	255	261
	<u>\$ 999</u>	<u>\$ 1,073</u>	<u>\$ 1,087</u>
Rental Equipment, net book value			
Modulars	\$ 383	\$ 385	\$ 389
Electronics	106	108	108
Tanks	184	226	229
Total NBV Rental Equipment	\$ 673	\$ 719	\$ 726
Total Assets	\$ 919	\$ 972	\$ 967
Notes Payable	\$ 297	\$ 302	\$ 281
Total Liabilities	\$ 586	\$ 608	\$ 594
Shareholders Equity	\$ 333	\$ 365	\$ 373
Shares Issued and Outstanding	24.6	24.9	25.2
Debt (Total Liabilities) to Equity	1.76	1.68	1.59
Debt (Notes Payable) to Equity	0.89	0.83	0.75
Funded Debt to LTM EBITDA	1.84	1.90	1.77
Return on Average Equity for LTM	16.0%	12.7%	12.3%
Capacity Under Existing Lines of Credit	\$ 159	\$ 228	\$ 249

- New Senior notes for \$100M at 4.03% were issued on April 21, 2011. The debt has a five year average life with a final maturity in April 2018.
- Effective June 18, 2012 the company entered into a \$420M credit facility which matures on June 17, 2017. In addition, the company extended the Sweep Service Facility with Union Bank and increased the facility from \$5M to \$10M.

Dividend Payout Per Share

2008 – 2013^(a)

- \$0.96 per share annualized dividend
- 3.1% yield (2013 annualized dividend as of April 30, 2013)
- Dividend increases for 21 consecutive years



(a) Dividend rate increased 2% to \$0.24 per share for the first quarter 2013 compared to the first quarter 2012. On an annualized basis, this dividend represents a 3.1% yield on the April 30, 2013 close price of \$31.06.

Investment Summary

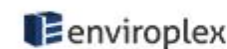
Strong business to business rental acumen applied to a portfolio of rental businesses

- Strategic acquisition of Adler Tank Rentals – fastest growing division and highest operating margins
- Industry leading performance in established modular and electronics divisions
- Organic initiative in Portable Storage for long term growth
- Selectively seeking/investigating new rental products/businesses for portfolio

Solid financial foundation

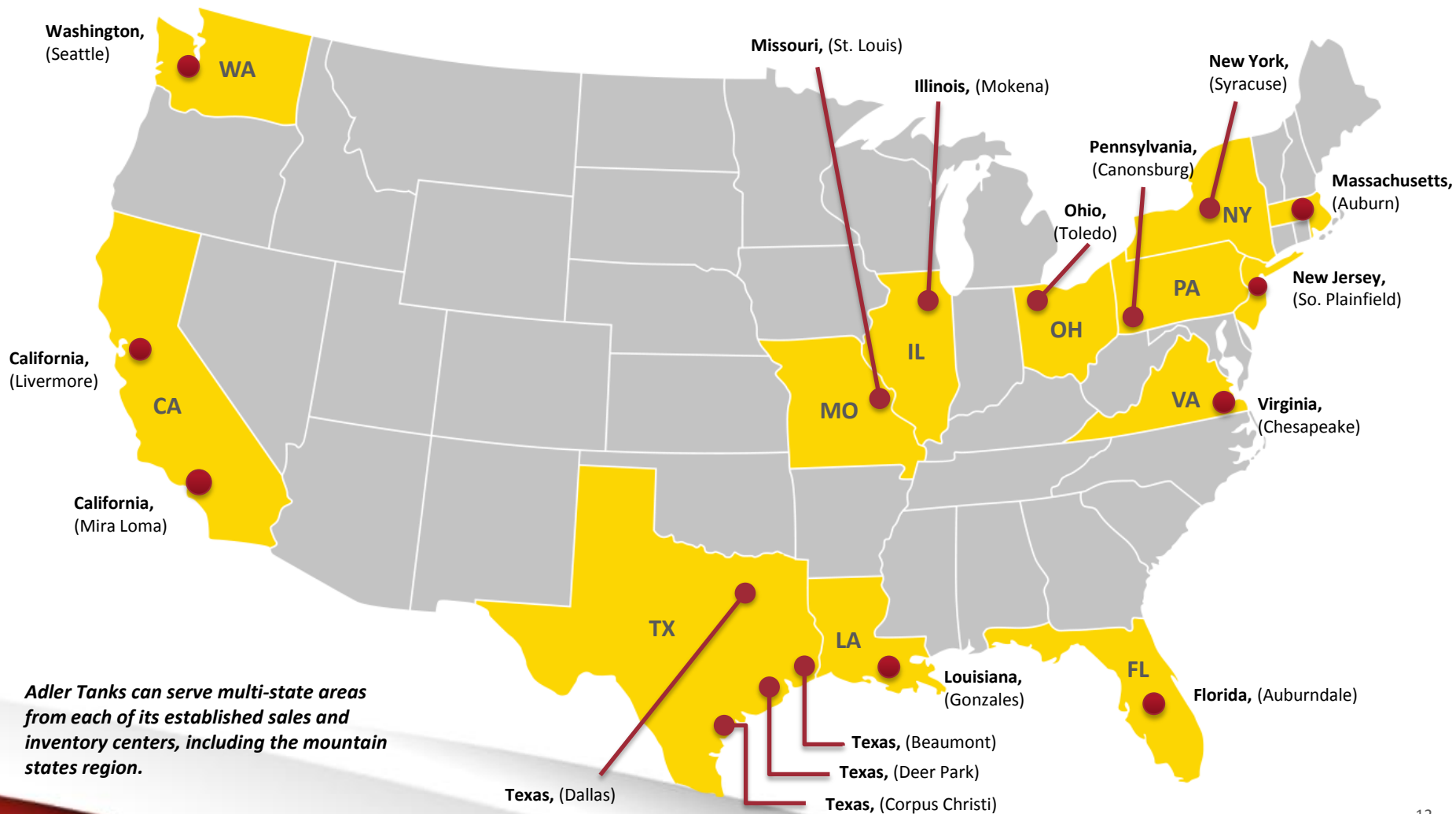
- Low leveraged balance sheet
- Strong operating cash flows
- Significant recent investments in new rental equipment for long term growth

Dividend increases for 21 consecutive years and attractive current dividend yield (3.1% as of April 30, 2013)



Adler Tank Rentals

Rental & Sales of Liquid and Solid Containment Solutions



Adler Tanks can serve multi-state areas from each of its established sales and inventory centers, including the mountain states region.



Adler Acquisition Highlights

- Strategic acquisition December 11, 2008 to add a significant new rental segment
- \$90M purchase price (\$89M cash and 40,000 MGRC shares)
- Attractive rental assets - long lived assets, young rental fleet, innovative product
- Good cultural fit - commitment to exceptional customer service; strong “edge” qualities
- Retained founder and team
- MGRC provides access to capital, corporate support and IT infrastructure to grow the business
- Immediately accretive

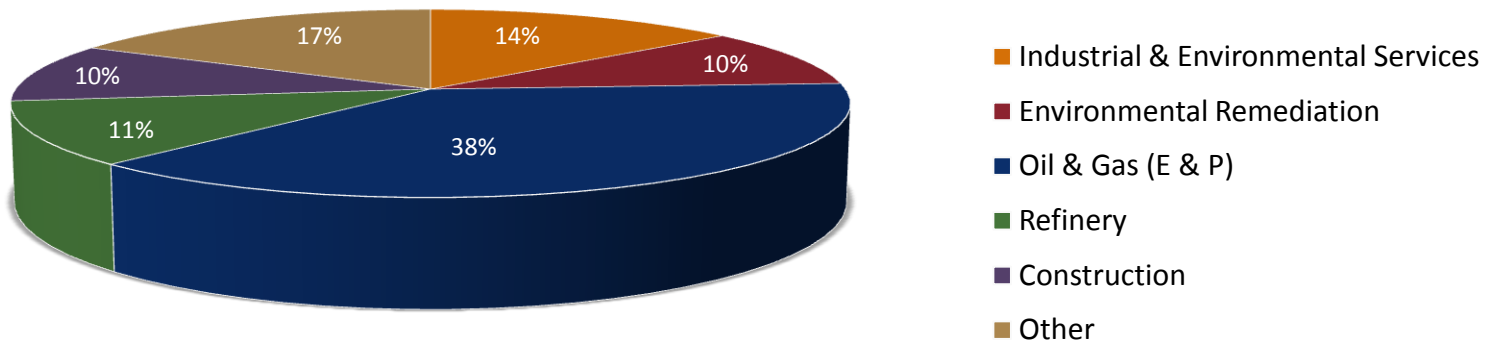
Rental Assets

Rentals and Sales of Liquid and Solid Containment Solutions



Market

Size of Market by Application Estimated North American Tank and Box Market of \$1.4 Billion (Rental Revenue)



- Adler Tank rental revenue mix in 2012 included 22% related to hydraulic fracturing oil and gas projects compared to 35% in 2011
- Adler Tank rental revenue mix in Q4 2012 included 15% related to hydraulic fracturing oil and gas projects compared to 33% in Q4 2011

Source: McGrath RentCorp estimates, 2011

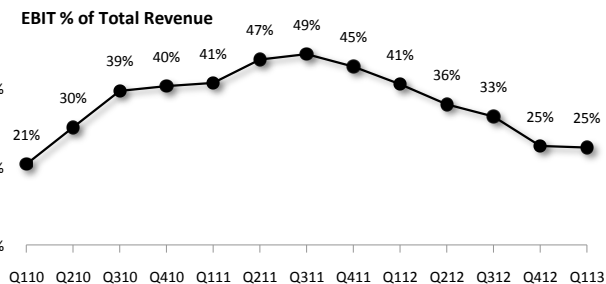
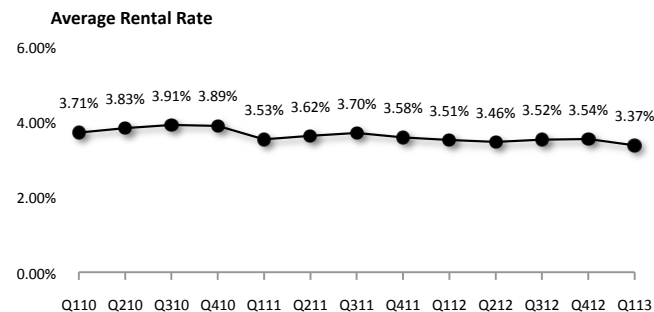
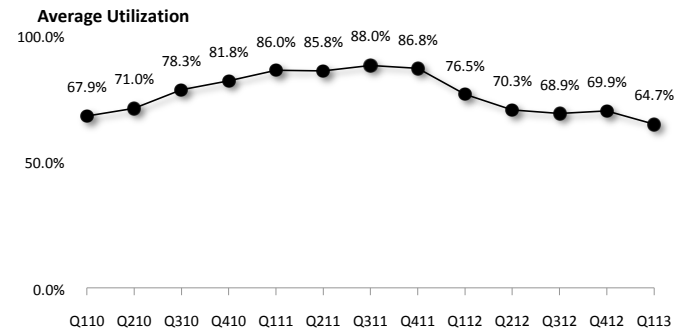
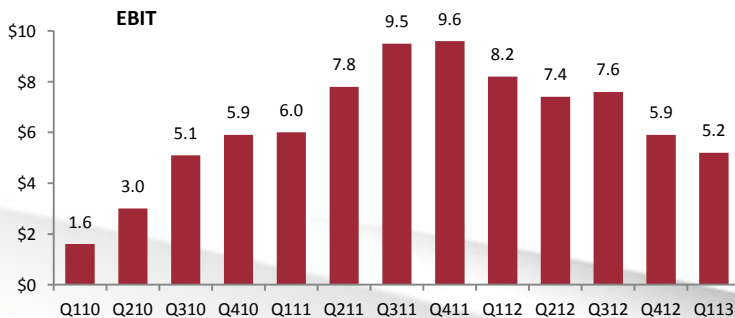
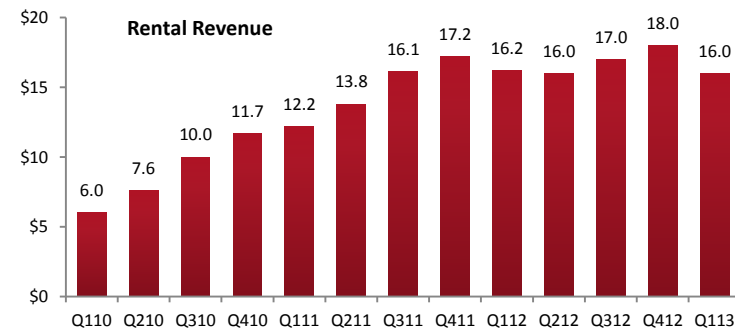
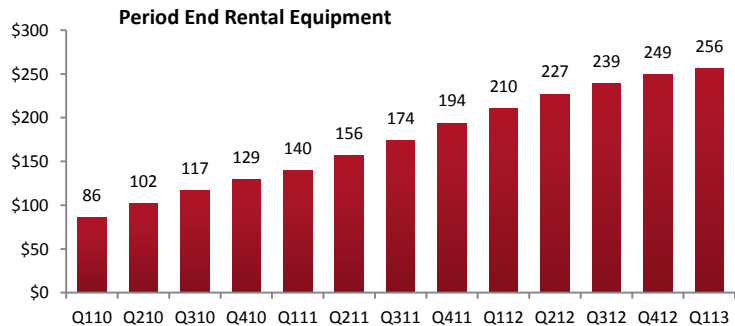
See following page for market and application descriptions



Tank and Box Applications

Market	Application	Products Utilized	Typical End User
Industrial and Environmental Services	<ul style="list-style-type: none"> Raw material and cleaning agent storage Containment of waste for disposal or treatment Plant maintenance and repair "turnaround" cycles 	<ul style="list-style-type: none"> Frac tanks Roll-off boxes Vacuum boxes 	<ul style="list-style-type: none"> Chemical and lubricant manufacturers Utilities Food processors Power plants
Environmental Remediation	<ul style="list-style-type: none"> Remediation of contaminated ground water, pipeline failures, tanker spills and other waterway contamination 	<ul style="list-style-type: none"> Frac tanks Roll-off boxes Dewatering boxes Vacuum boxes 	<ul style="list-style-type: none"> Environmental Services Waste / Water Treatment Pipeline Services Marine Services
Oil & Gas (E&P) Exploration and Production	<ul style="list-style-type: none"> Conventional oil and gas exploration and production Unconventional oil and gas exploration and production, including equipment used during the oil and gas well fracturing process and to store drilling lubricant Freshwater storage, drilling fluids, flowback and drill cuttings 	<ul style="list-style-type: none"> Frac tanks Roll-off boxes 	<ul style="list-style-type: none"> Oil and Gas exploration and production companies Oilfield Service companies
Refinery	<ul style="list-style-type: none"> Regularly scheduled plant maintenance and repair "turnaround" cycles 	<ul style="list-style-type: none"> Frac tanks Roll-off boxes Vacuum boxes 	<ul style="list-style-type: none"> Refineries and Product Terminals
Construction	<ul style="list-style-type: none"> Dewatering construction areas Storm water pollution prevention Remediation of contaminated ground water for off-site discharge 	<ul style="list-style-type: none"> Frac tanks Roll-off boxes Dewatering boxes Vacuum boxes 	<ul style="list-style-type: none"> Highway, Heavy Construction, and Commercial Contractors Federal, State and Local Municipalities
Other	<ul style="list-style-type: none"> Storage of ethylene glycol for use in deicing planes Temporary firewater systems Marine services (bilge water) Storm water pollution control Landfill leaching containment Storage of water used in hydrostatic pressure testing of pipelines 	<ul style="list-style-type: none"> Frac tanks Roll-off boxes Vacuum boxes 	<ul style="list-style-type: none"> Airlines Pipeline Contractors Ports

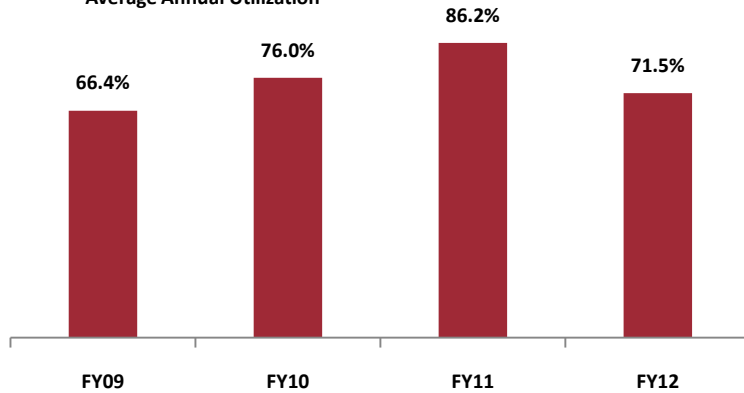
Adler Highlights



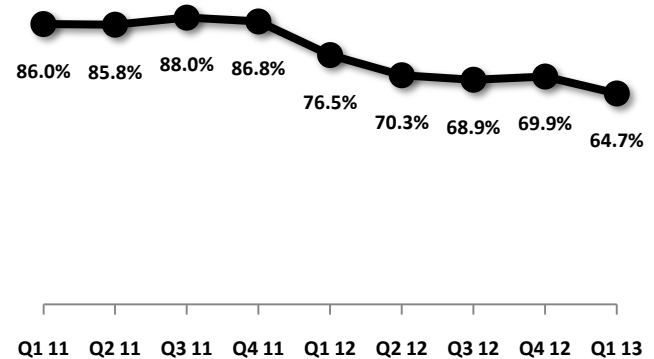
(a) See page 36 for definitions of rental equipment, utilization and rate.

Adler Highlights

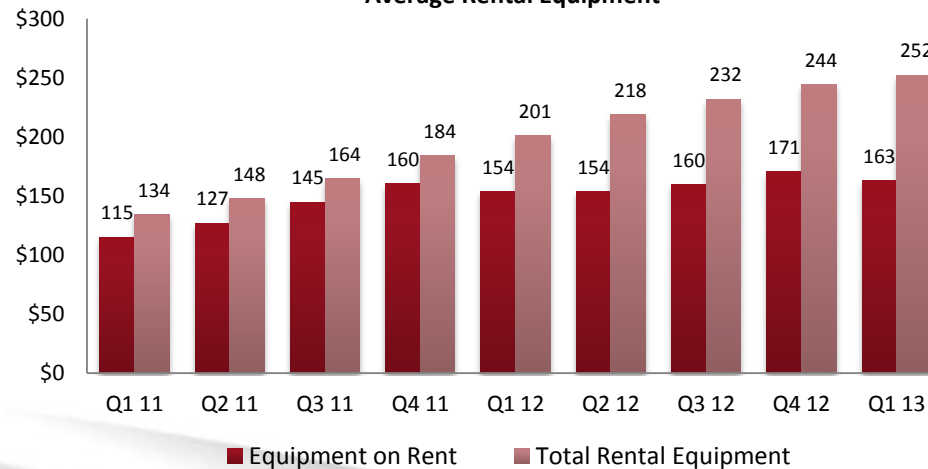
Average Annual Utilization



Average Quarterly Utilization

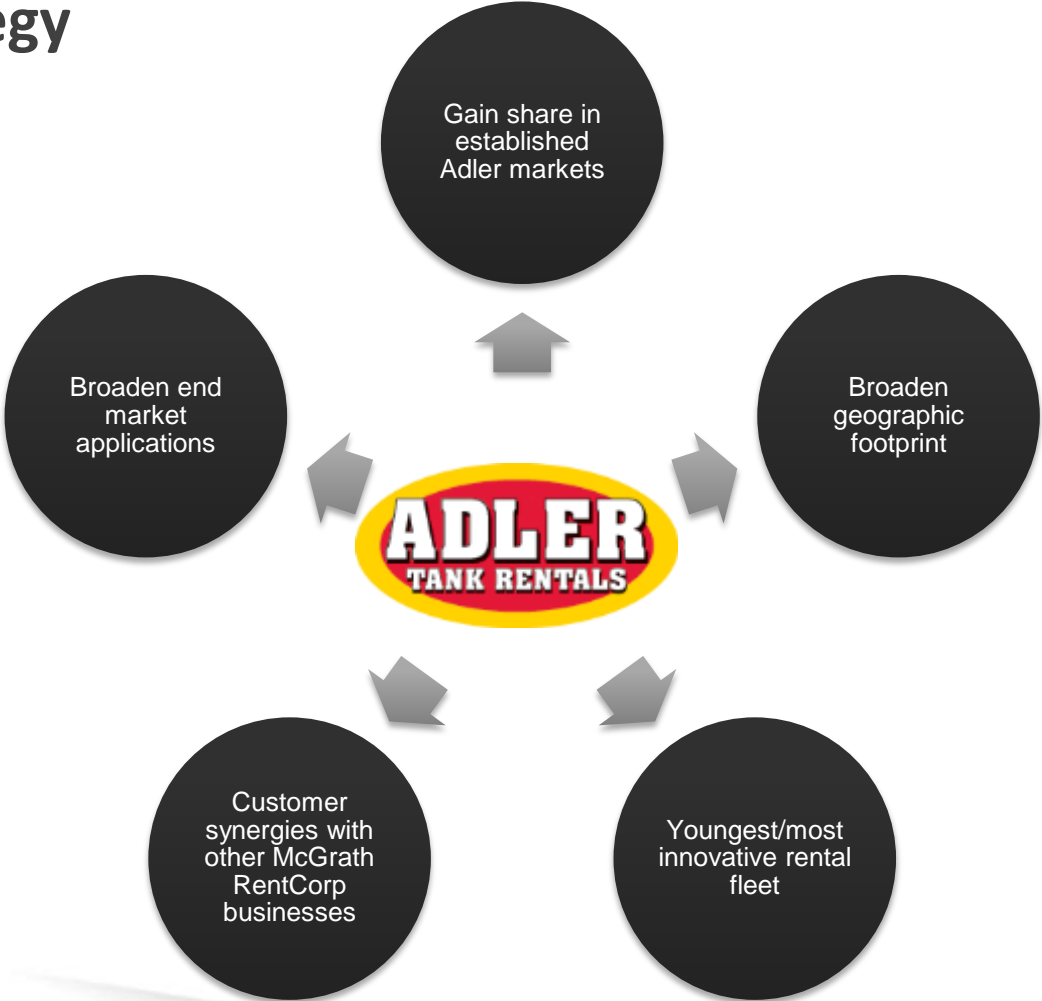


Average Rental Equipment



(a) See page 36 for definitions of rental equipment and utilization.

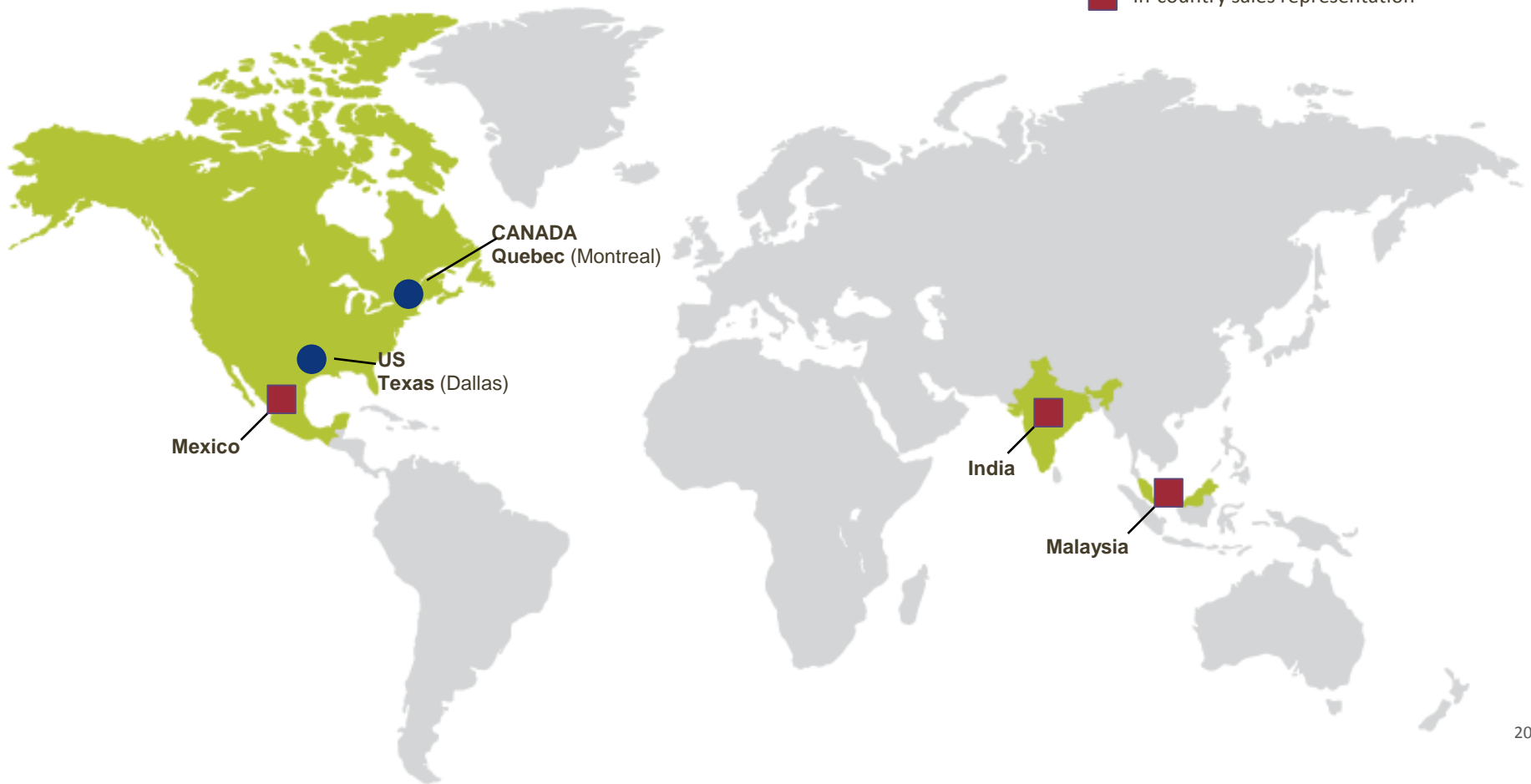
Growth Strategy



TRSRenTelco

Rental & Sales of General Purpose and Communications Test Equipment

- Rental and Sales offices
- In-country sales representation



Rental Assets

Rental and Sales of General Purpose and Communications Test Equipment



Rental Customer Mix

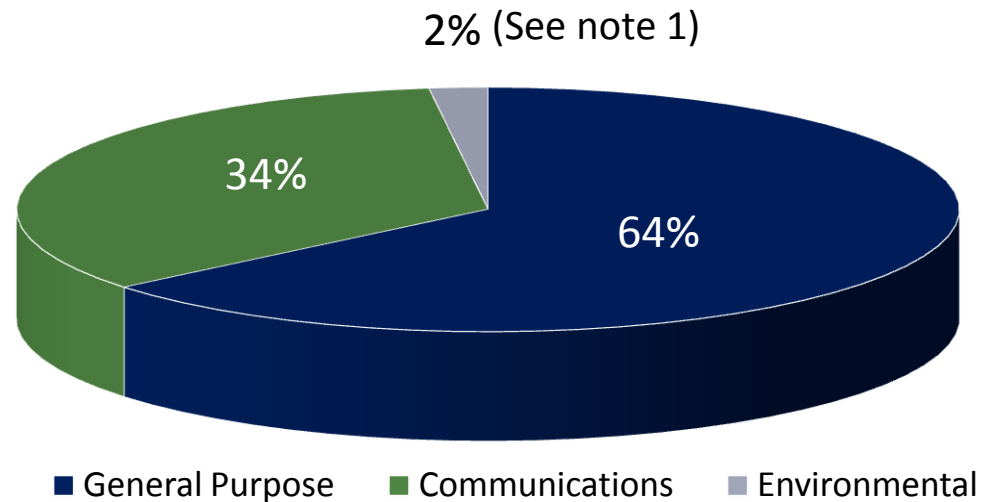
2012 Rental Business Mix Breakdown By Product Group

General Purpose Customers

- Aerospace & Defense
- General Manufacturing
- Government
- Computer Manufacturing
- Services
- Industrial

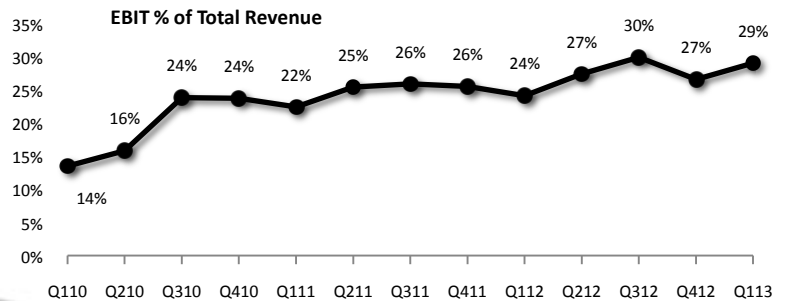
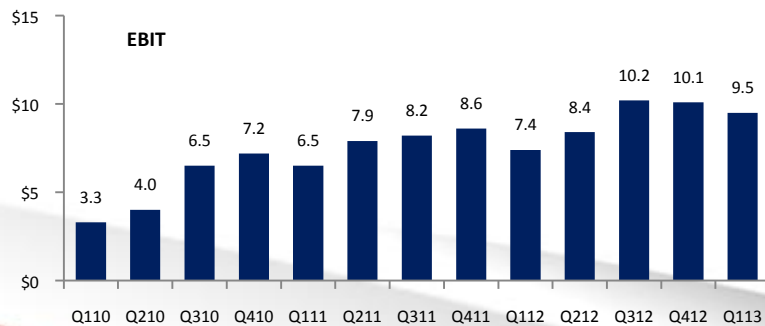
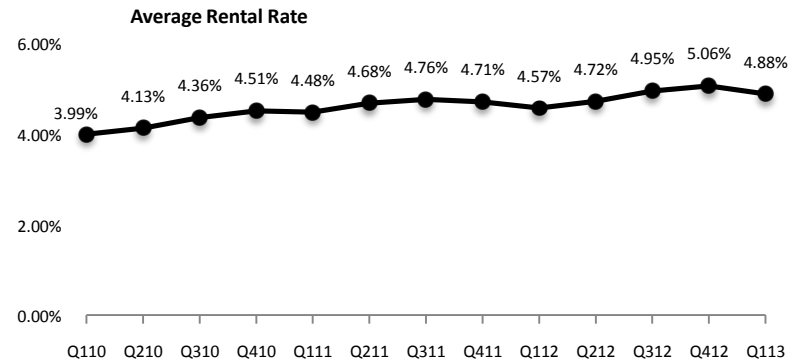
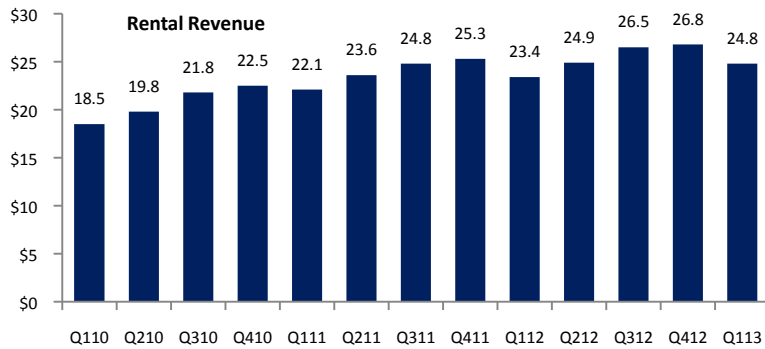
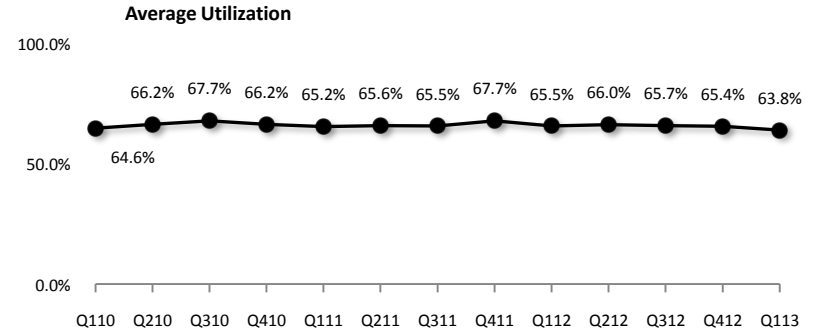
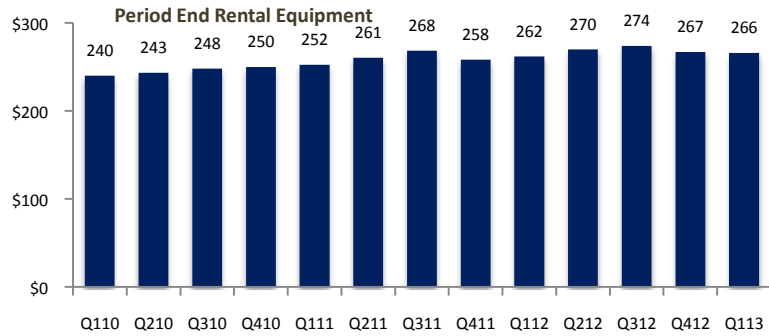
Communications Customers

- Equipment Manufacturers
- Installation & Maintenance
- Service Providers
- Wireless Equipment Manufacturers



(1) Please note TRS-RenTelco exited Environmental Test equipment product rentals in Q4 2012.

TRSRenTelco Highlights (a)



(a) Includes Environmental Test
 (b) See page 36 for definitions of rental equipment, utilization, and rate

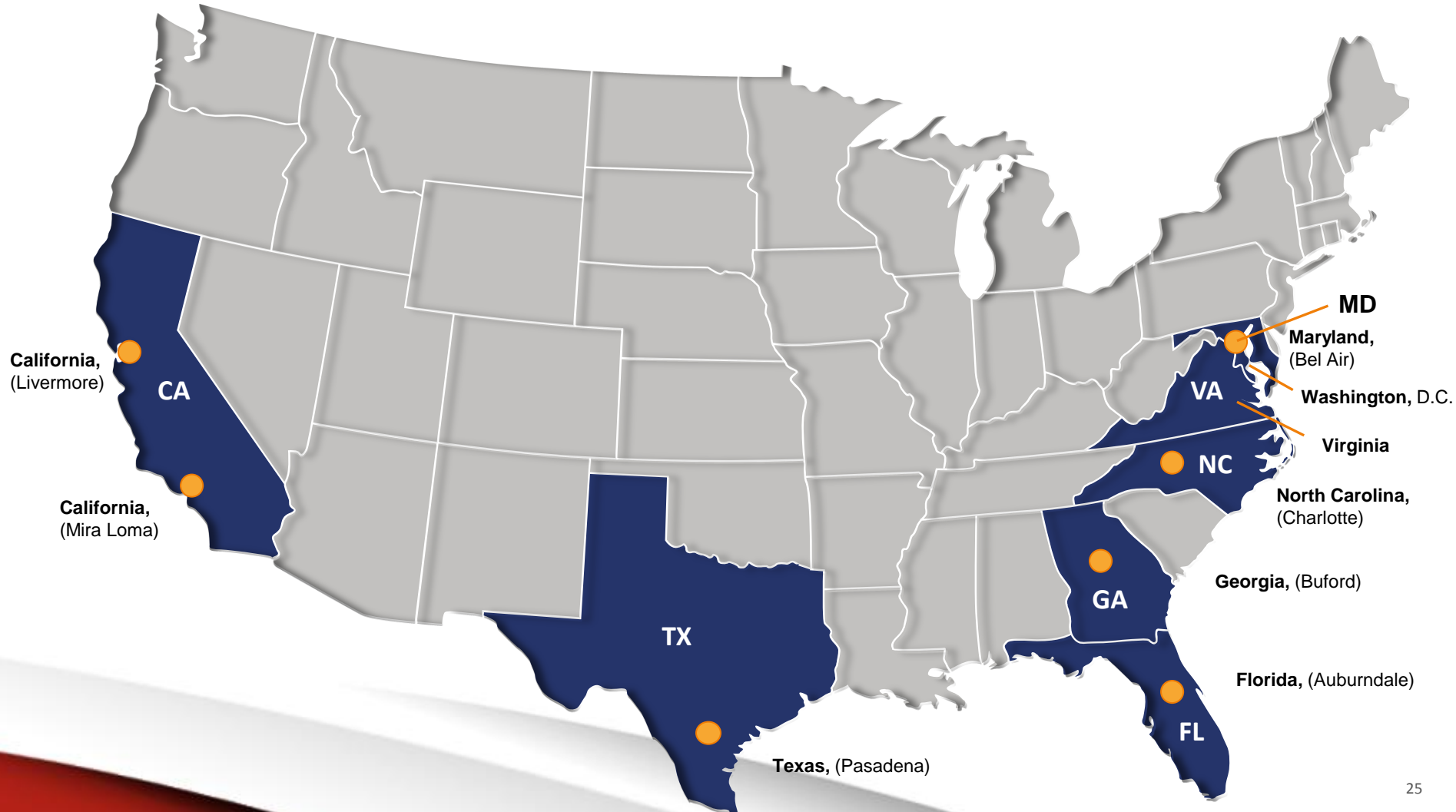
Growth Opportunities

- Communications segment strength
- International business growth
- Market leadership focus on rental vs. distributor sales



Mobile Modular

Rental & Sales of Modular Classrooms and Offices



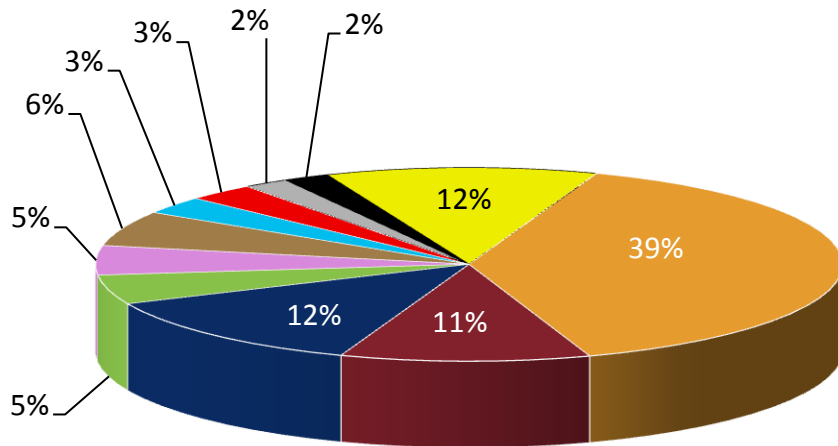
Mobile Modular

Rentals and Sales of Modular Buildings Serving a Broad Range of Facility Needs and Industry Groups



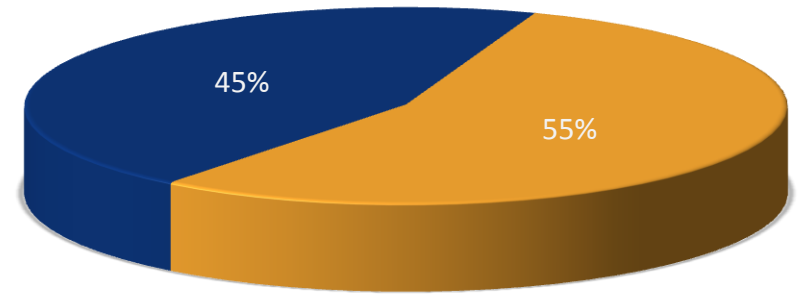
Rental Customer Mix

2012 Rental Business Mix Breakdown by Industry Group



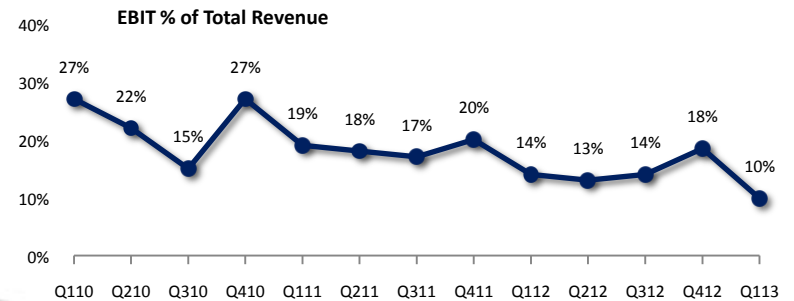
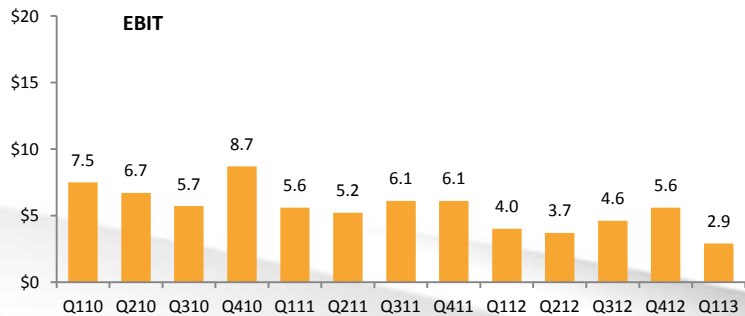
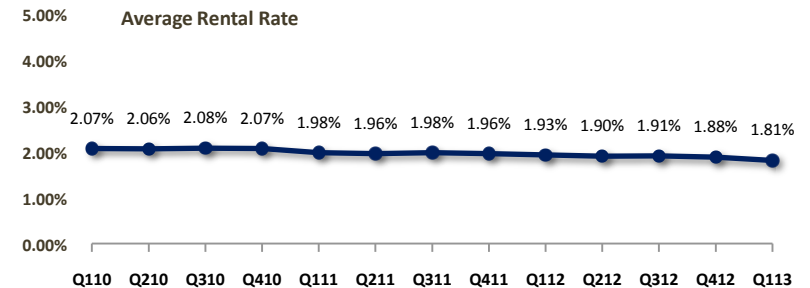
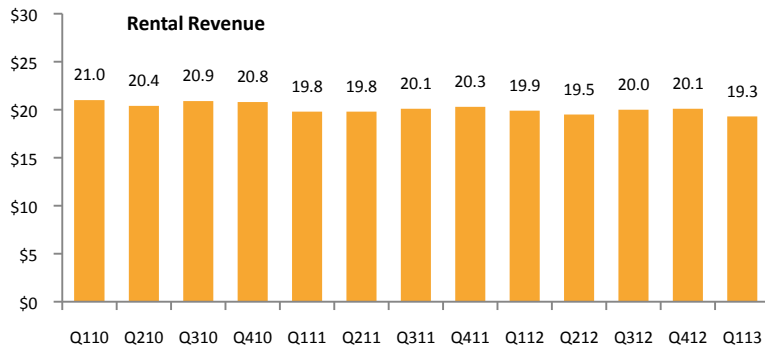
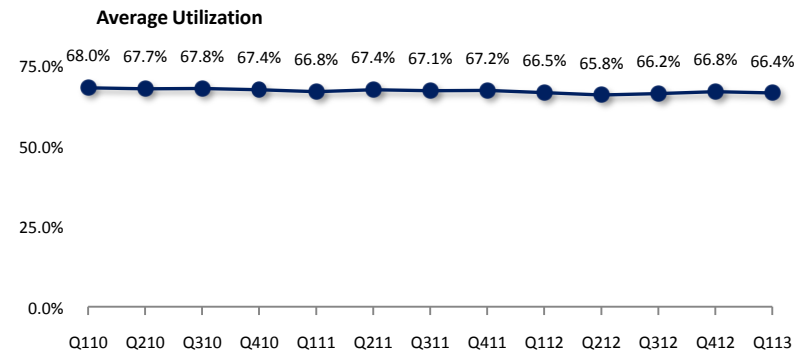
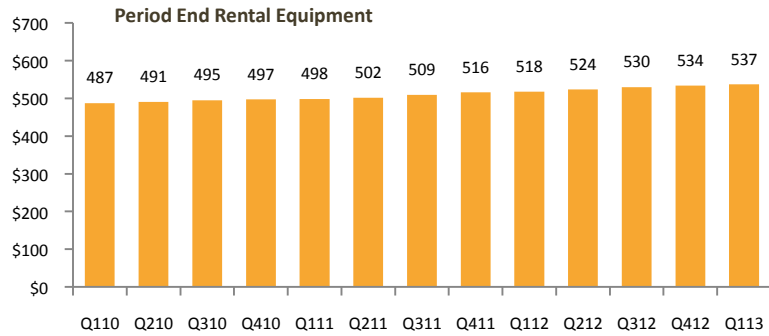
- Education - Public K-12
- Commercial Construction
- Petro-Chemical
- Government
- Health Care
- Other
- Education - All Other
- Residential Development
- General Business
- Retail
- Transportation

2012 Rental Business Mix Breakdown by State



- California
- Other (includes FL, GA, MD, NC, TX, VA)

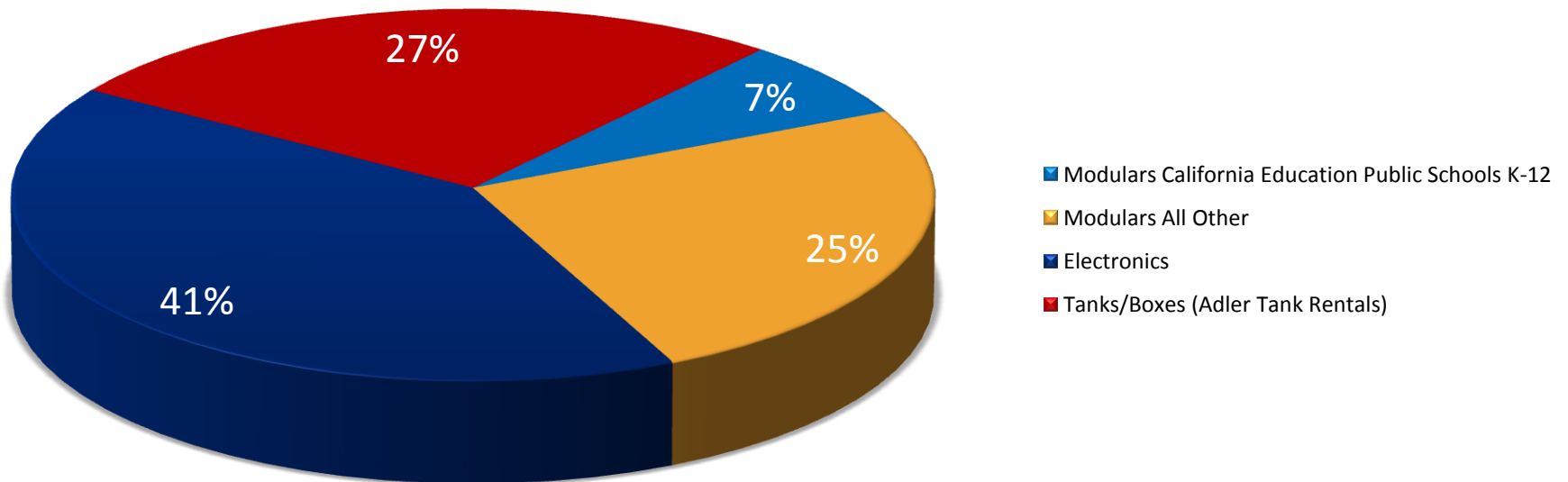
Mobile Modular Highlights (a)



(a) Includes Mobile Modular Portable Storage and excludes Enviroplex
 (b) See page 36 for definitions of rental equipment, utilization, and rate

2012 Rental Revenue Mix

MGRC Rental Revenue \$248M



- Adler Tank Rentals was acquired by McGrath RentCorp on December 11, 2008
- Modulares includes Portable Storage
- Electronics includes Environmental Test Equipment

Education Rental Assets

Education Buildings of Every Type to Serve Public and Private K-12, Community College and University Facility Needs



California Classroom Rentals

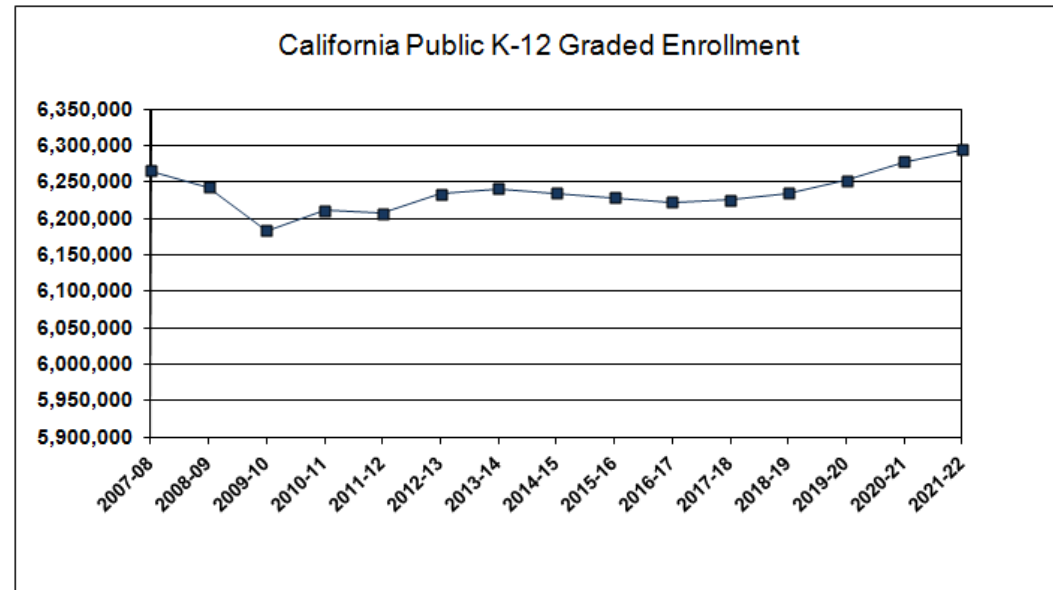
California Public Schools (K-12) Enrollment

Opportunities

- Long term education demand driven by aging infrastructure and enrollment growth
- Lack of funds for new school construction may result in more demand for interim classroom rentals
- No capital additions for demand recovery and attractive operating leverage

Challenges

- CA state budget delays and reductions
- School district austerity measures have resulted in more students per classroom
- Lack of funds for facility modernization projects



Sources: California Department of Finance, Demographic Research Unit, November, 2012

Organic Growth Initiative Portable Storage

Rentals and Sales of Portable Storage Solutions



8x40 High Security Office and Storage Combo

8x20 Portable Storage Container

8x20 High Security Office and Storage Combo

Portable Storage Growth Strategy



Growth Opportunities



- Regional expansion – N. Carolina, Georgia, Maryland, Virginia
- Portable Storage Expansion
- TX – stronger oil and gas industry outlook
- FL – product innovation supports market share gains
- CA – long term education demand driven by aging infrastructure and enrollment growth
- Potential for significant operating leverage when utilization improves



McGrath RentCorp

ADDITIONAL FINANCIAL DETAIL

Financial Data

Rental Metrics

Period End Utilization (1)

	Q108	Q208	Q308	Q408	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Q311	Q411	Q112	Q212	Q312	Q412	Q113	Q113 vs. Q412		Q1 Y/Y	
																					% chg	% chg	% chg	% chg	
MMMC	82.3%	82.0%	80.8%	81.0%	76.6%	74.1%	69.5%	69.0%	67.6%	67.9%	67.4%	67.2%	66.7%	67.7%	67.0%	67.3%	65.7%	65.6%	66.6%	66.7%	66.1%	-0.6%	-0.9%	0.4%	0.6%
TRSR	68.4%	70.0%	68.0%	64.0%	59.9%	58.6%	61.8%	63.1%	65.8%	67.0%	67.4%	64.3%	66.2%	65.4%	66.3%	67.1%	65.1%	65.7%	64.2%	64.1%	63.3%	-0.8%	-1.2%	-1.8%	-2.8%
ATR	-	-	-	70.3%	60.1%	58.3%	68.8%	71.2%	66.4%	76.7%	77.4%	84.9%	89.4%	86.4%	90.5%	79.8%	72.9%	67.5%	69.4%	67.5%	63.5%	-4.0%	-5.9%	-9.4%	-12.9%

Average Utilization (1)

	Q108	Q208	Q308	Q408	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Q311	Q411	Q112	Q212	Q312	Q412	Q113	Q113 vs. Q412		Q1 Y/Y	
																					% chg	% chg	% chg	% chg	
MMMC	82.5%	82.0%	81.1%	80.9%	78.3%	75.2%	71.1%	69.0%	68.0%	67.7%	67.8%	67.4%	66.8%	67.4%	67.1%	67.1%	66.5%	65.8%	66.2%	66.8%	66.4%	-0.4%	-0.6%	-0.1%	-0.2%
TRSR	68.8%	69.4%	68.6%	66.3%	61.4%	59.5%	60.4%	63.6%	64.6%	66.2%	67.7%	66.2%	65.2%	65.6%	65.5%	67.7%	65.5%	66.0%	65.7%	65.4%	63.8%	-1.6%	-2.4%	-1.7%	-2.6%
ATR	-	-	-	70.3%	64.5%	56.7%	65.1%	71.3%	67.9%	71.0%	78.3%	81.8%	86.0%	85.8%	88.0%	86.8%	76.5%	70.3%	68.9%	69.9%	64.7%	-5.2%	-7.4%	-11.8%	-15.4%

Average Monthly Rental Rate (2)

	Q108	Q208	Q308	Q408	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Q311	Q411	Q112	Q212	Q312	Q412	Q113	Q113 vs. Q412		Q1 Y/Y	
																					% chg	% chg	% chg	% chg	
MMMC	2.32%	2.26%	2.30%	2.25%	2.22%	2.19%	2.21%	2.14%	2.07%	2.06%	2.08%	2.07%	1.98%	1.96%	1.98%	1.96%	1.93%	1.90%	1.91%	1.88%	1.81%	-0.1%	-3.7%	-0.1%	-6.2%
TRSR	4.60%	4.56%	4.50%	4.47%	4.18%	4.01%	4.13%	4.27%	3.99%	4.13%	4.36%	4.51%	4.48%	4.68%	4.76%	4.71%	4.57%	4.72%	4.95%	5.06%	4.88%	-0.2%	-3.6%	0.3%	6.8%
ATR	-	-	-	-	4.12%	3.97%	4.03%	3.87%	3.71%	3.83%	3.91%	3.89%	3.53%	3.62%	3.70%	3.58%	3.51%	3.46%	3.52%	3.54%	3.37%	-0.2%	-4.8%	-0.1%	-4.0%

Period End Rental Equipment (3) - Dollars in millions

	Q108	Q208	Q308	Q408	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Q311	Q411	Q112	Q212	Q312	Q412	Q113	Q113 vs. Q412		Q1 Y/Y	
																					% chg	% chg	% chg	% chg	
MMMC	452.8	455.7	473.3	476.4	478.0	475.1	480.1	485.9	487.4	490.6	495.3	496.7	497.7	501.9	508.7	516.3	517.9	523.6	529.9	534.2	536.7	2.5	0.5%	18.8	3.6%
TRSR	239.0	254.0	262.1	255.4	249.9	247.2	246.0	238.9	240.0	243.3	248.2	249.8	252.3	260.6	268.4	258.4	262.2	269.7	273.6	266.5	266.2	(0.3)	-0.1%	4.0	1.5%
ATR	-	-	-	46.3	51.9	58.8	67.1	74.9	85.7	102.0	117.0	129.1	139.6	156.3	173.9	193.9	210.0	226.6	238.7	248.9	256.1	7.2	2.9%	46.1	22.0%

(1) Period End Utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding new equipment inventory and accessory equipment. Average utilization for the period is calculated using the average costs of the rental equipment.

(2) Average Monthly Rental Rate is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment on rent, for the period.

(3) Period End Rental Equipment represents the cost of rental equipment excluding new equipment inventory and accessory equipment.

Financial Data

2013 Guidance (February 21, 2013)

	Actual 2012	2013 Guidance	Guidance Comments (February 21, 2013)
EPS	\$ 1.78	\$1.85 - \$1.95	
Rental Revenues	\$ 248	~ 4% - 7% growth	Expect growth in rental operations
Sales Revenues	\$ 66	~ \$60M	Sales revenue is expected to be approximately 10% lower than 2012; but gross profit from sales is expected to be comparable to 2012
Rental Equipment Depreciation	\$ 64	\$ 67M - \$69M	Driven by rental fleet growth
SG&A Expenses	\$ 86	\$ 89M - \$91M	Expect increase to support business growth and continued investment in Adler Tanks and portable storage initiative
Interest Expense	\$ 9	~ \$ 9M	
Tax Rate	38.6%	39.2%	
Diluted Share Count	25.2	~ 25.3 - 25.7	shares in millions

Financial Data

Financing Summary

Year Ended December 31,

		2008		2009		2010		2011		2012
Total Debt	\$	306	\$	247	\$	266	\$	297	\$	302
Adjusted EBITDA (a)	\$	142	\$	128	\$	132	\$	161	\$	158
Funded Debt to EBITDA		2.15		1.94		2.01		1.84		1.90
Available Debt Capacity	\$	86	\$	132	\$	101	\$	159	\$	228

(dollars in millions)

(a) Adjusted EBITDA is defined on page 2

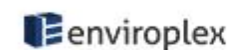
Financial Data

Capital Expenditures

	Year Ended December 31,				
	2008	2009	2010	2011	2012
Mobile Modular	\$ 38	\$ 13	\$ 23	\$ 34	\$ 21
TRS-RenTelco	57	23	42	55	52
Adler Tank Rentals	88	38	52	69	56
Total Rental Equipment	183	74	118	158	129
Proceeds from used equipment sales	(29)	(29)	(29)	(28)	(31)
Net Rental Equipment Capital	154	45	89	129	98
PP&E	14	2	12	17	14
Total Capital Expenditures	\$ 167	\$ 47	\$ 101	\$ 147	\$ 112

(dollars in millions)

- ① Portable Storage capital expenditures are included in Mobile Modular
- ② Environmental Test equipment capital expenditures are included in TRS-RenTelco
- ③ McGrath RentCorp acquired Adler Tank Rentals in 2008 for \$90M of which \$46M was Rental Equipment
- ④ Other Capital Expenditures include ERP and Non-ERP systems, land, facility improvements, and other equipment



Financial Data

Consolidated Income Statement

	Year Ended December 31,				
	2008	2009	2010	2011	2012
Revenues					
Rental	\$ 197	\$ 186	\$ 201	\$ 235	\$ 248
Rental Related Services	34	33	35	39	47
Rental Operations	231	220	235	274	295
Sales	70	53	54	66	66
Other	2	2	2	2	2
Total Revenues	304	276	291	343	364
Costs and Expenses					
Direct Costs of Rental Operations					
Depreciation of Rental Equipment	57	57	56	60	64
Rental Related Services	25	25	27	31	37
Other	37	33	40	40	46
Total Direct Costs of Rental Operations	119	116	123	131	147
Costs of Sales	50	39	38	45	49
Total Costs	168	154	161	176	196
Gross Margin	136	121	131	167	168
Selling and Administrative	58	60	66	78	86
Income from Operations	78	61	65	89	82
Interest	10	7	6	8	9
Income before Provision for Income Taxes	68	54	59	81	73
Provision for Income Taxes	26	21	23	31	28
Net Income	41	33	36	50	45
Earnings per share:					
Diluted	\$ 1.72	\$ 1.40	\$ 1.50	\$ 2.00	\$ 1.78
Shares used in Per Share Calculation:					
Diluted	23.9	23.9	24.3	24.8	24.9
EBITDA	\$ 142	\$ 128	\$ 132	\$ 161	\$ 158

Financial Data

Consolidated Balance Sheet Highlights

As of December 31,	2008	2009	2010	2011	2012
Rental Equipment, at cost					
Modulars	\$ 504	\$ 504	\$ 515	\$ 539	\$ 551
Electronics	256	239	250	259	267
Adler	46	81	133	201	255
Total Rental Equipment at cost	806	824	898	999	1,073
Rental Equipment, net book value					
Modulars	377	368	369	384	385
Electronics	130	102	98	106	108
Adler	46	77	124	184	226
Total NBV Rental Equipment	552	547	592	673	719
Total Assets	784	758	814	919	972
Notes Payable	306	247	266	297	302
Total Liabilities	535	491	519	586	608
Shareholder Equity	250	267	295	333	365
Debt (Total Liabilities) to Equity	2.11	1.83	1.76	1.76	1.67
Debt (Notes Payable) to Equity	1.22	0.92	0.90	0.89	0.83
Funded Debt to EBITDA	2.15	1.94	2.01	1.84	1.90
EBITDA	142	128	132	161	158

(dollars in millions)

Financial Data

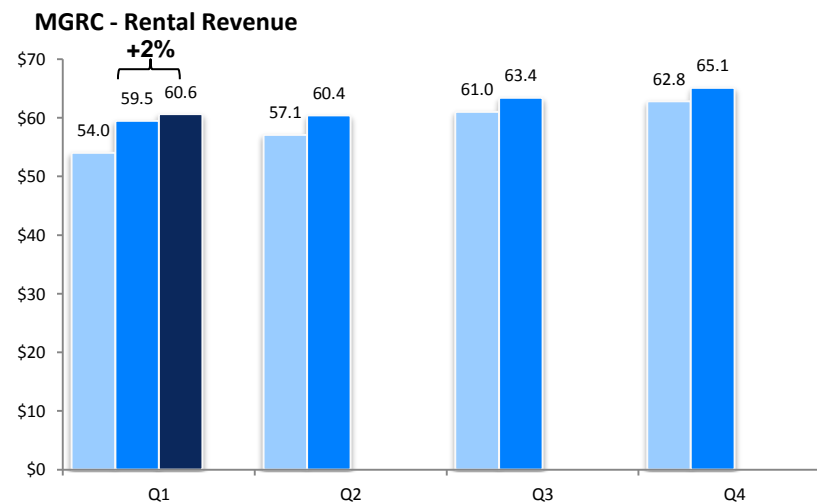
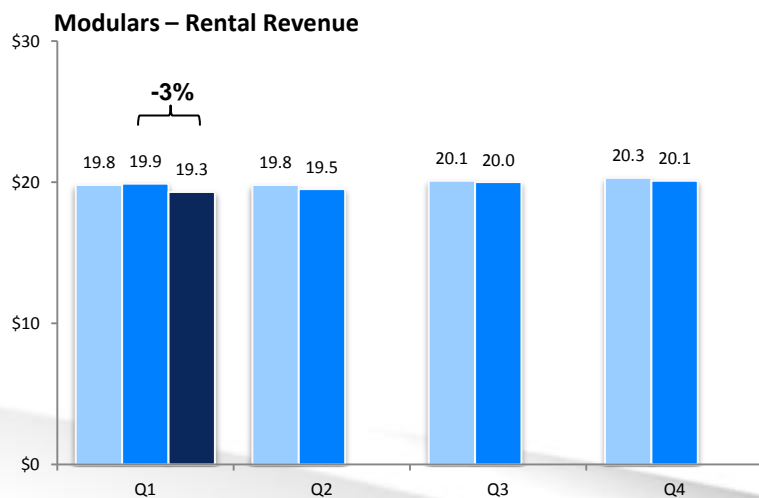
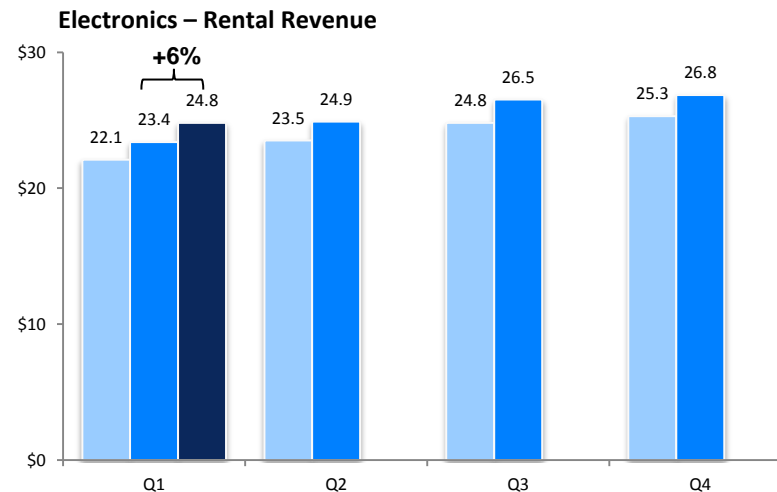
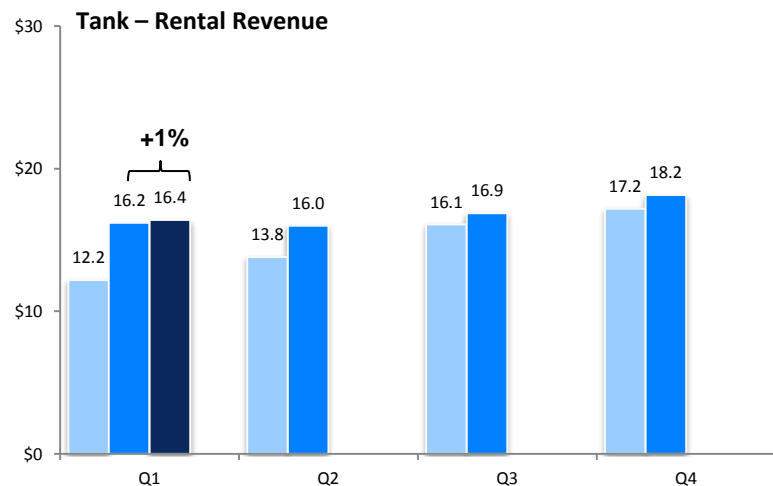
Consolidated Cash Flow

	Year Ended December 31,				
	2008	2009	2010	2011	2012
Sources of Cash:					
Cash Flow from Operating Activities	\$ 99	\$ 122	\$ 101	\$ 129	\$ 126
Proceeds from Sales of Used Equipment	29	29	29	28	31
Proceeds from Exercise of Stock Options	1	2	9	6	7
Total Cash Available	\$ 129	\$ 153	\$ 138	\$ 164	\$ 164
Uses of Cash:					
Purchases of Rental Equipment	(96)	(70)	(123)	(155)	(132)
(1) Acquisitions	(88)	(2)	(0)	(0)	(0)
Other Capital Investments	(14)	(2)	(12)	(17)	(14)
Repurchase of Common Stock	(24)	-	-	-	-
Payment of Dividends	(19)	(20)	(21)	(22)	(23)
Total Uses of Cash	(241)	(95)	(156)	(194)	(169)
Net Payments (Borrowings) under Bank Lines	(112)	58	(18)	(31)	(5)
Net increase (decrease)	(4)	(0)	(0)	0	0
Cash, beginning of period	5	1	1	1	1
Cash, end of period	1	1	1	1	2
Calculation of Free Cash Flow					
Cash Flow from Operating Activities	99	122	101	129	126
Purchases of Rental Equipment	(96)	(70)	(123)	(155)	(132)
(1) Acquisitions	(88)	(2)	(0)	(0)	(0)
Other Capital Investments	(14)	(2)	(12)	(17)	(14)
Proceeds from Sales of Used Equipment	29	29	29	28	31
Free Cash Flow	(70)	77	(6)	(14)	11
Notes Payable	306	247	266	297	302
Funded Debt to EBITDA	2.15	1.94	2.01	1.84	1.90

(1) 2008 includes the acquisition of Adler Tanks

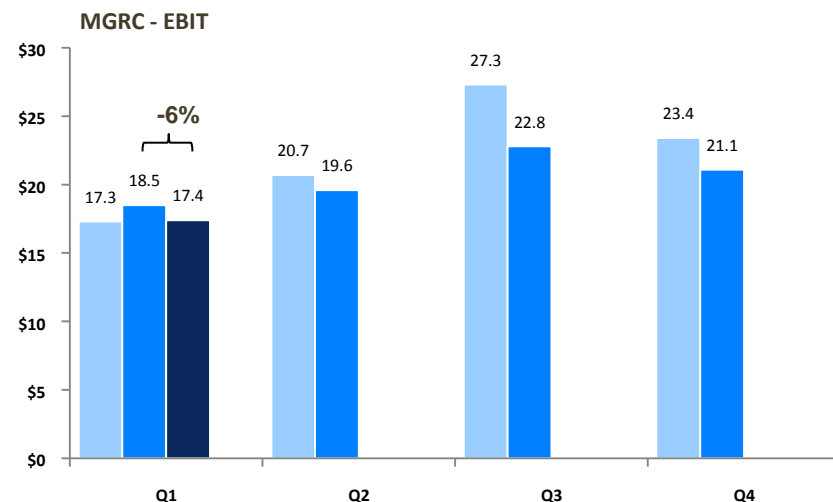
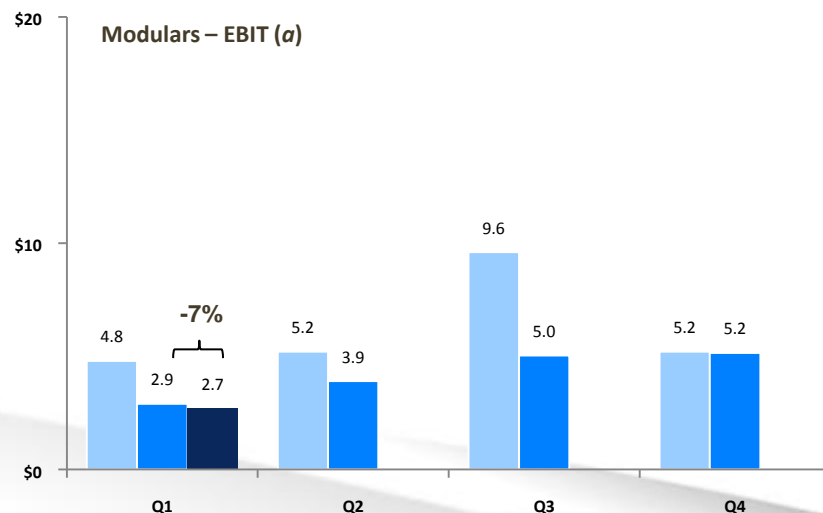
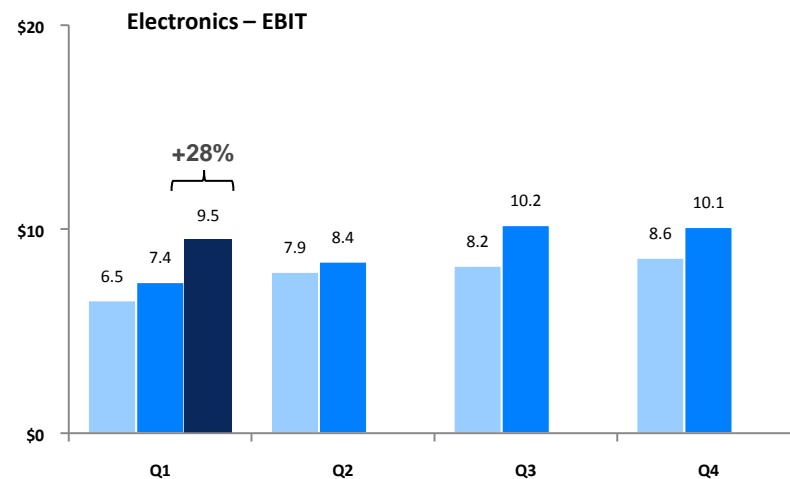
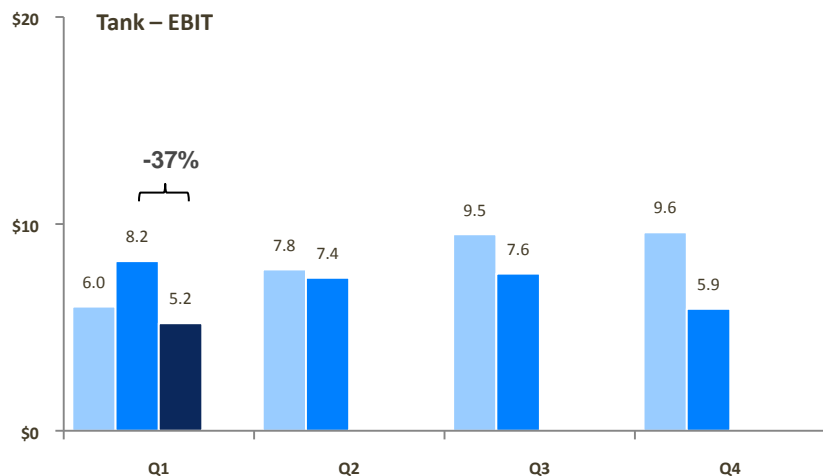
(dollars in millions)
(1) 2008 includes the acquisition of Adler Tank Rentals

2011-2013 Rental Revenue by Quarter



(dollars in millions)

2011-2013 EBIT by Quarter



(a) Includes Enviroplex

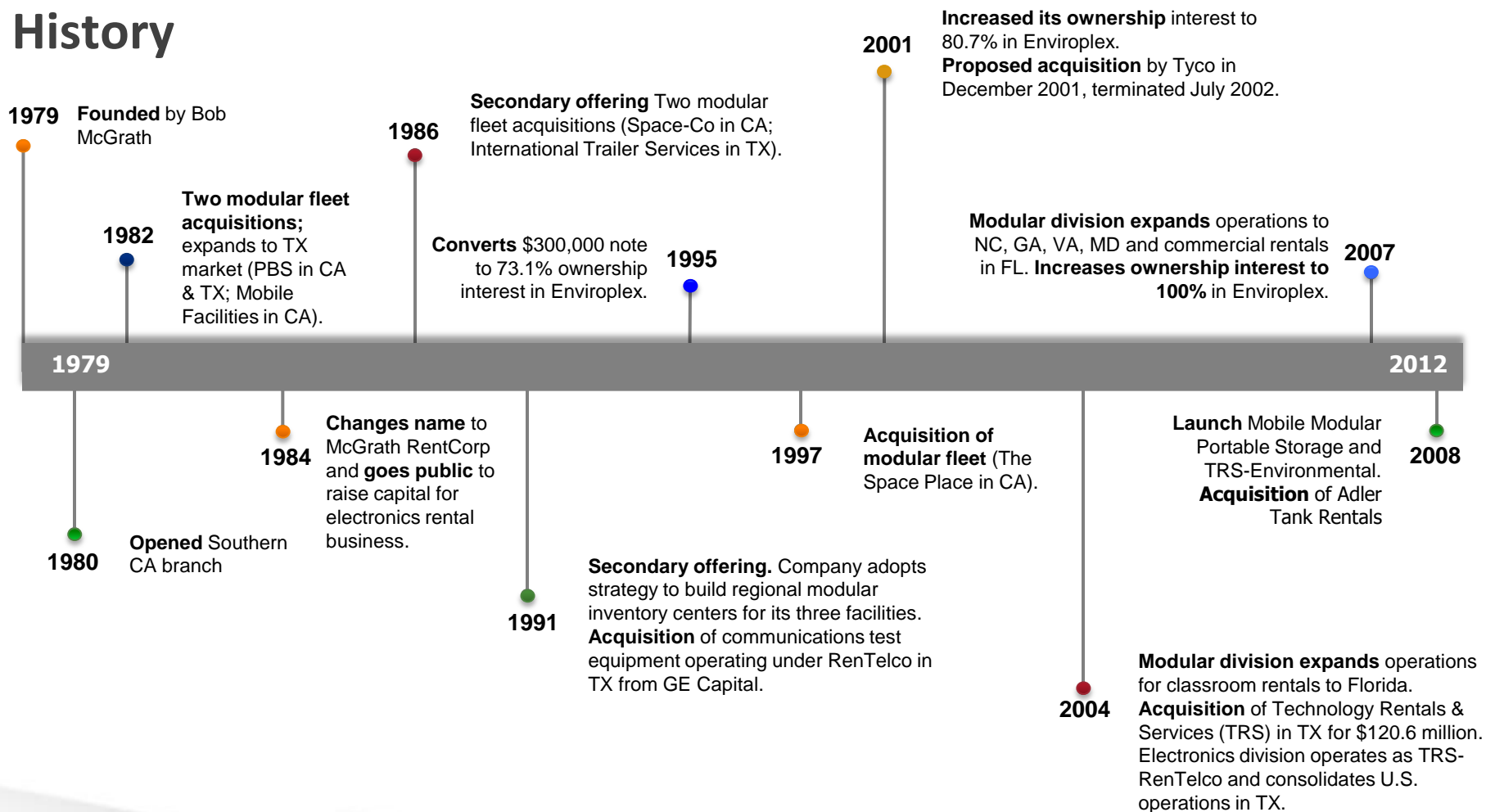


(dollars in millions)

McGrath RentCorp

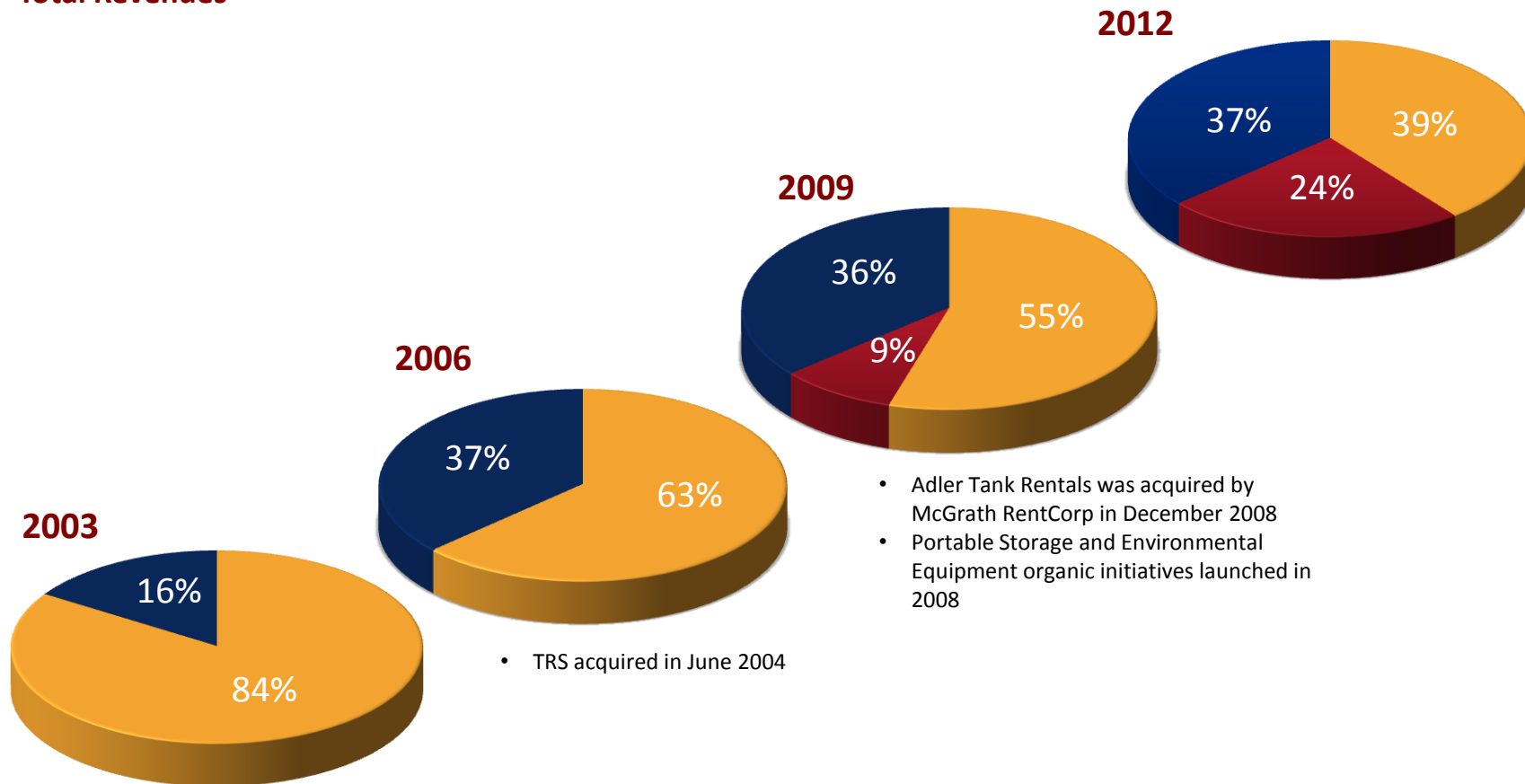
ADDITIONAL DETAIL CORPORATE

History



McGrath RentCorp Business Mix

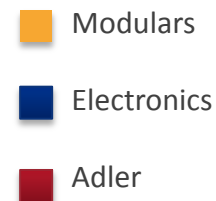
Total Revenues



- TRS acquired in June 2004

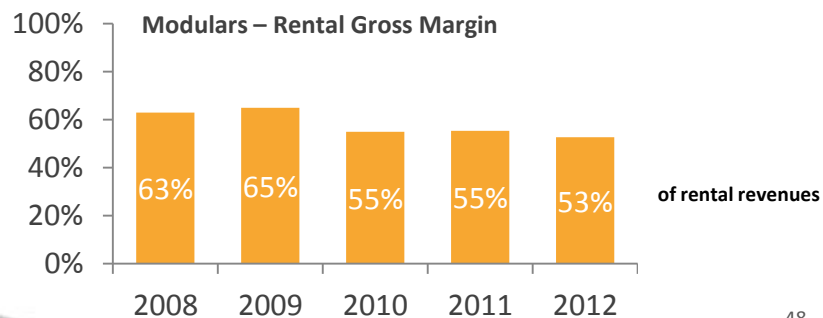
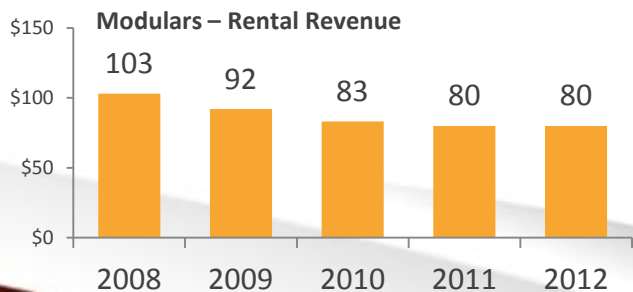
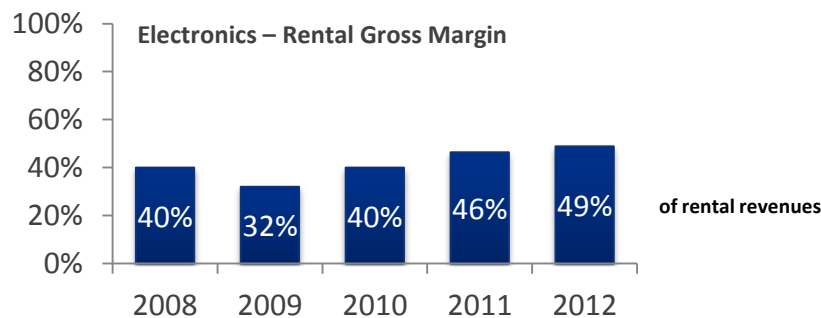
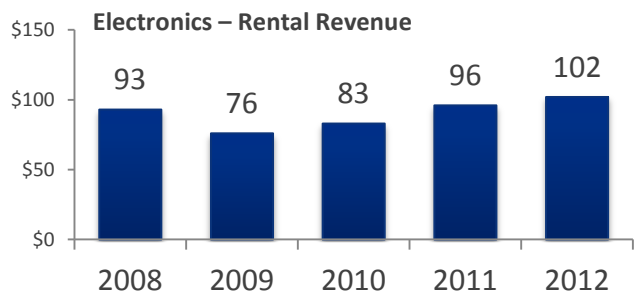
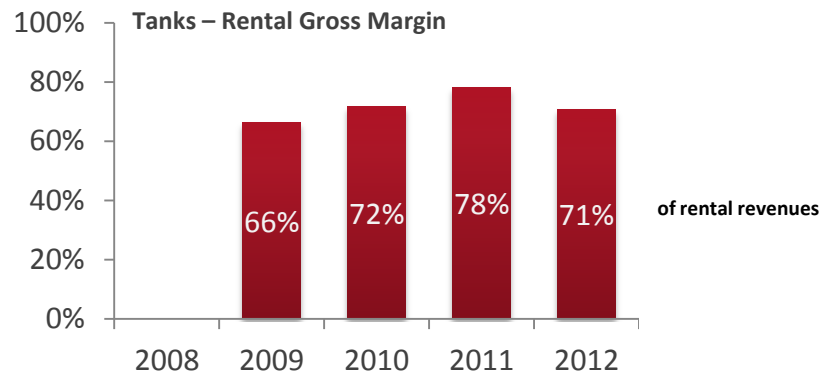
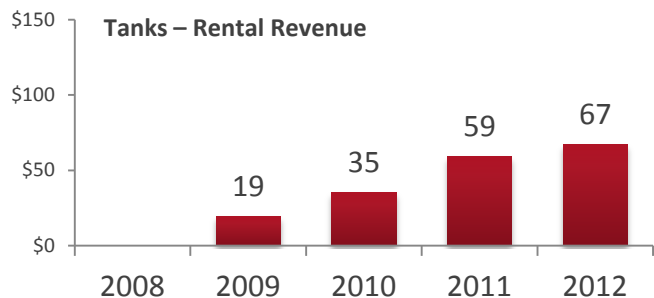
- Adler Tank Rentals was acquired by McGrath RentCorp in December 2008
- Portable Storage and Environmental Equipment organic initiatives launched in 2008

- Adler Tank Rentals was acquired by McGrath RentCorp on December 11, 2008
- Modulares includes Enviroplex and Portable Storage
- Electronics includes Environmental Test Equipment (discontinued in Q4 2012)



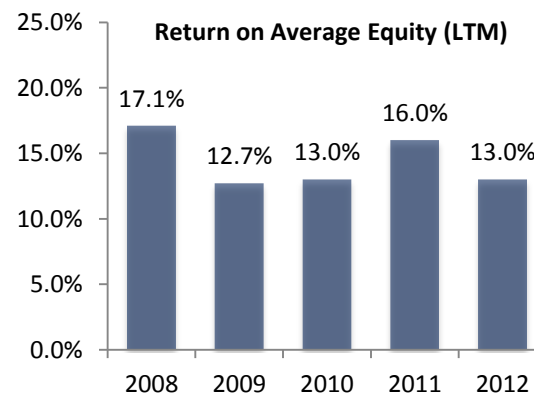
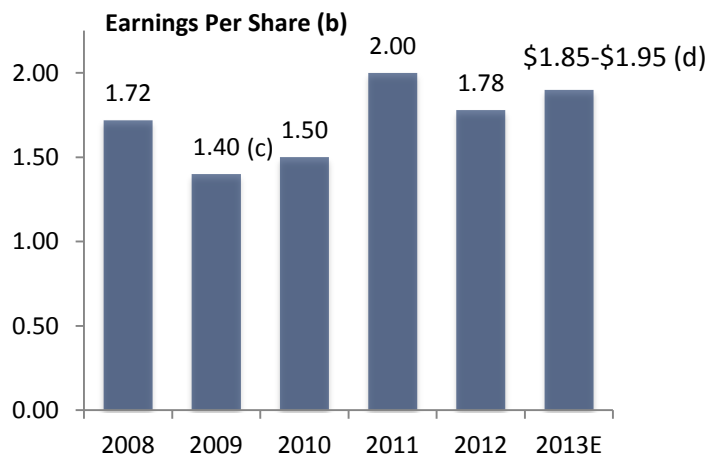
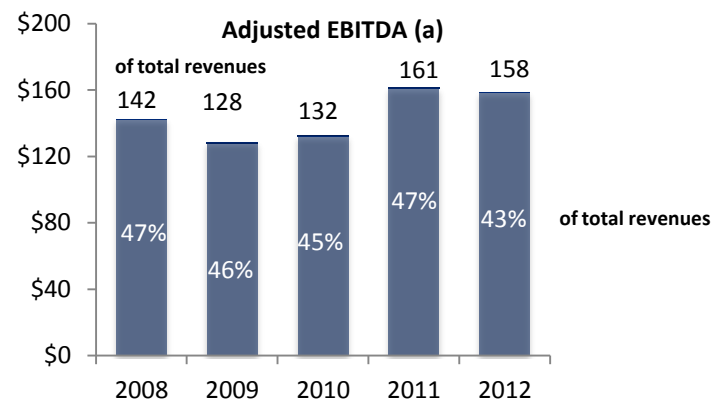
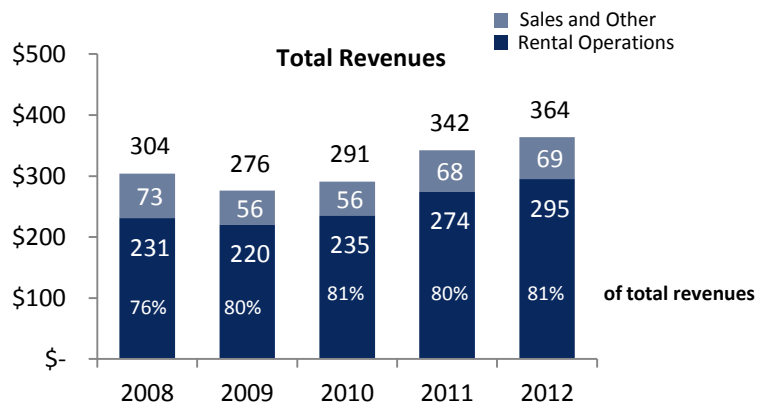
Rental Revenue and Margins

(dollars in millions)



(dollars in millions except per share amounts)

Operating Results



(a) Adjusted EBITDA defined on page 2.

(b) Non-cash stock option expense per share included for 2008/2009 (\$0.09), 2010 (\$0.10), 2011 (\$0.13), 2012 (\$0.09).

(c) 2009 EPS includes \$.02/share from favorable tax rate.

(d) 2013E is the 2013 full year earnings guidance range as of February 21, 2013.

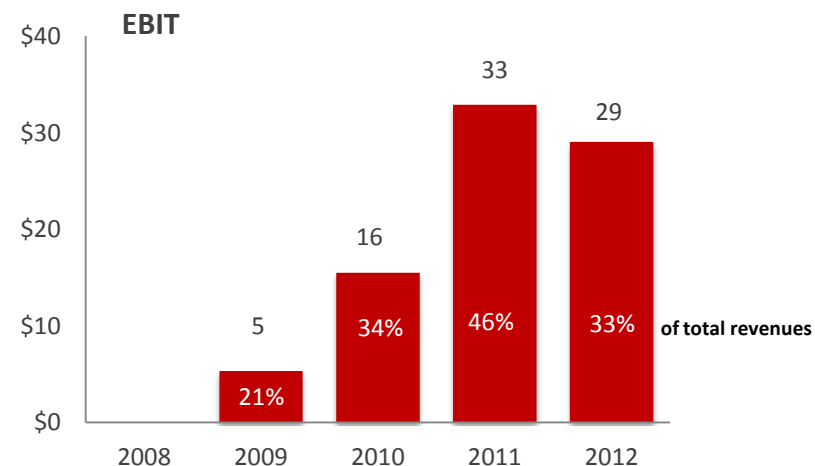
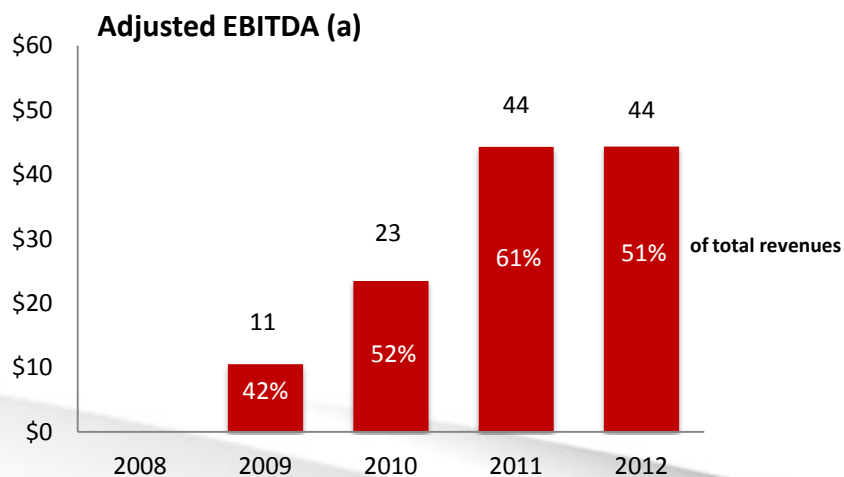
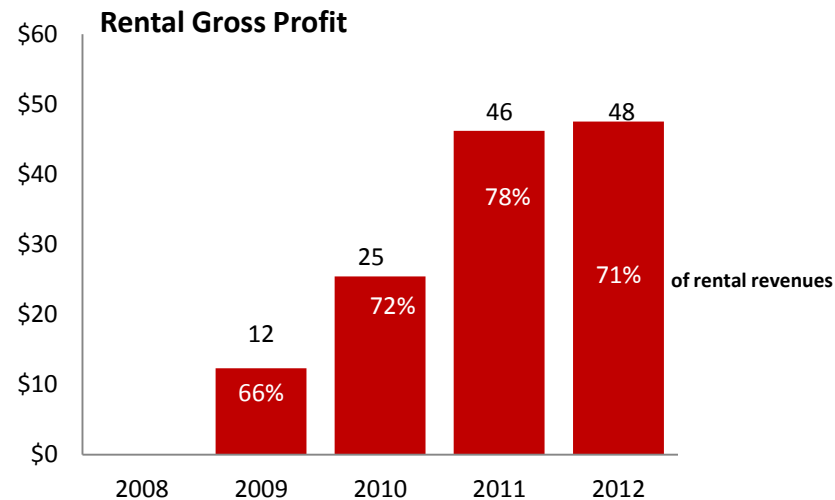
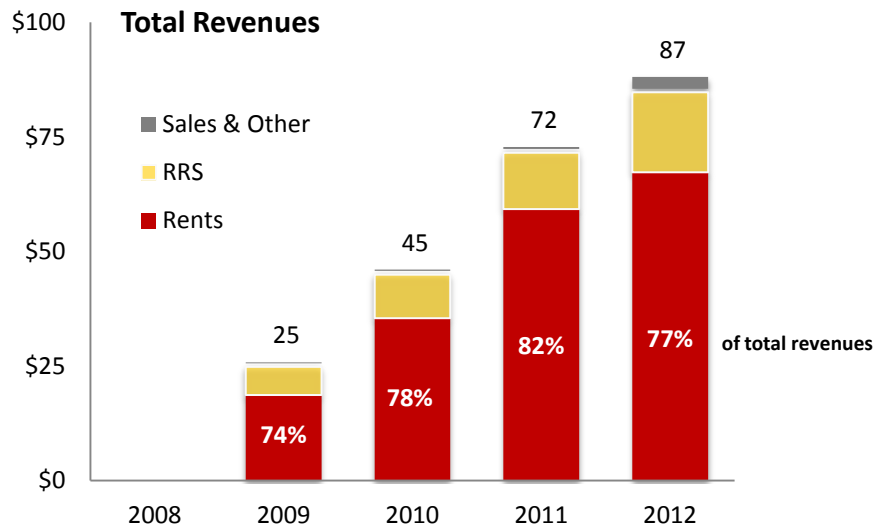
McGrath RentCorp

ADDITIONAL DETAIL ADLER TANK RENTALS



Tank Operating Results

(dollars in millions)



(a) Adjusted EBITDA is defined on page 2



Adler Transaction – Tank

Illustrative Transaction – Tank

Gross Margin Analysis

Customer:	Heavy Construction
Need:	Raw material storage, ground water control, containment of waste for disposal or treatment
Product:	Steel Tank
Average Rental Term:	3 months
Capitalized Equipment Cost:	\$35,000

Revenues

Rental: (3 mths. x \$33/day x 30 days)	\$ 2,970
Rental Related Services	\$ 837
Total Revenues	\$ 3,807

Costs and Expenses

Direct Costs of Rental Operations	
Depreciation: (3 mths. x \$146)	\$ 437
Rental Related Svc Costs	\$ 586
Other	\$ 318
Total Costs and Expenses	\$ 1,341

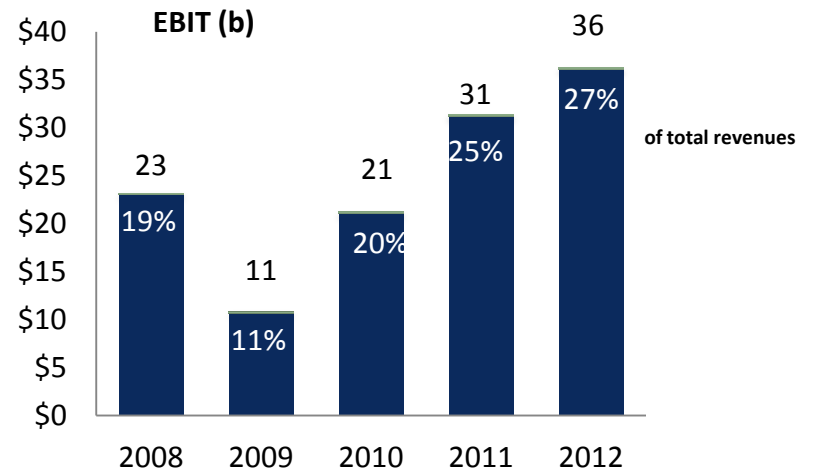
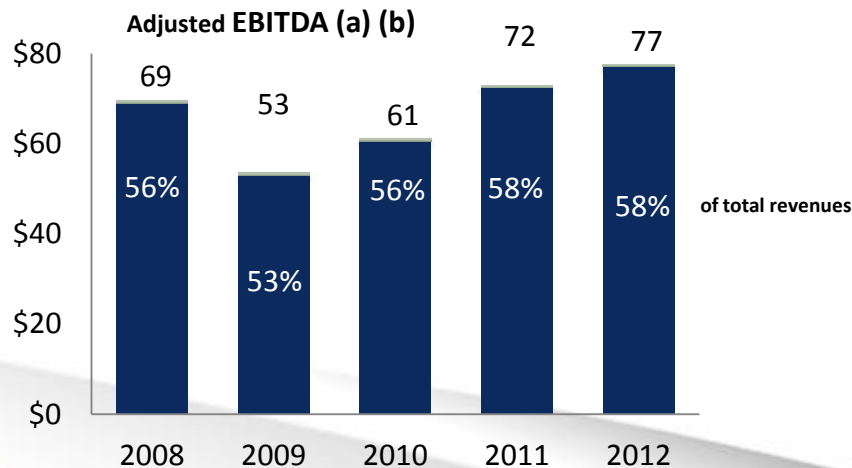
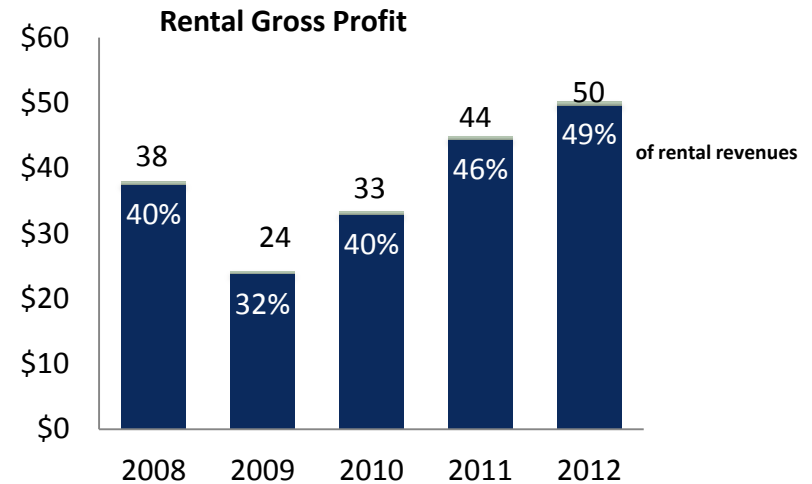
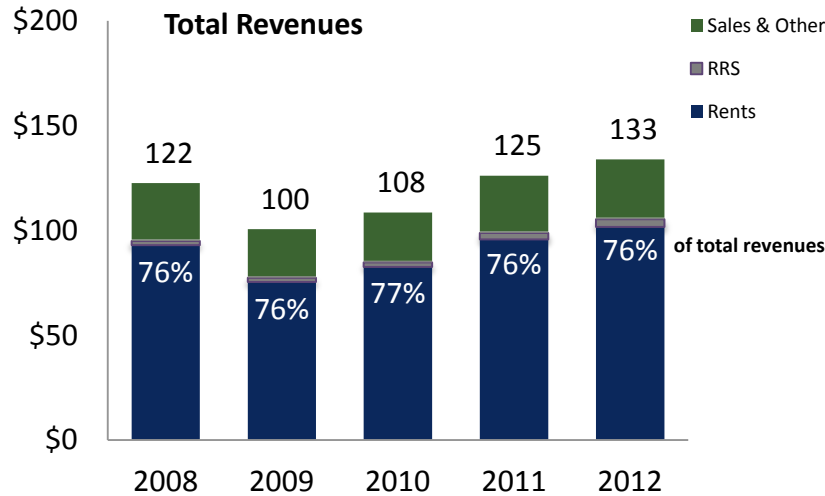
Gross Profit On Total Revenues	\$ 2,466
Gross Margin On Total Revenues %	65%
Gross Profit On Rental Revenues	\$ 2,215
Gross Margin On Rental Revenues %	75%

McGrath RentCorp

ADDITIONAL DETAIL – ELECTRONICS

Electronics Operating Results

(dollars in millions)



a) Adjusted EBITDA is defined on page 2
b) Includes Environmental Test

Electronics Transaction

Illustrative Transaction – Wireless Base Station Maintenance

Gross Margin Analysis

Customer: Base Station Installation and Maintenance Company
Need: Sweeping cable lines checking for loss over the frequency range from antenna on top of tower to transceiver at base of tower
Product: Anritsu S331C Cable and Antenna Analyzer
Average Rental Term: 3 months
Capitalized Equipment Cost: \$6,500

Revenues

Rental: (3 mths. x \$538)	\$ 1,614
Rental Related Services	<u>\$ 65</u>
Total Revenues	\$ 1,679

Costs and Expenses

Direct Costs of Rental Operations

Depreciation: (3 mths. x \$109)	\$ 327
Rental Related Services	\$ 35
Other	<u>\$ 210</u>
Total Costs and Expenses	\$ 572

Gross Profit On Total Revenues	\$ 1,107
Gross Margin On Total Revenues %	66%
Gross Profit On Rental Revenues	\$ 1,077
Gross Margin On Rental Revenues %	67%

Electronics Rental Applications

Test Equipment Rental Applications

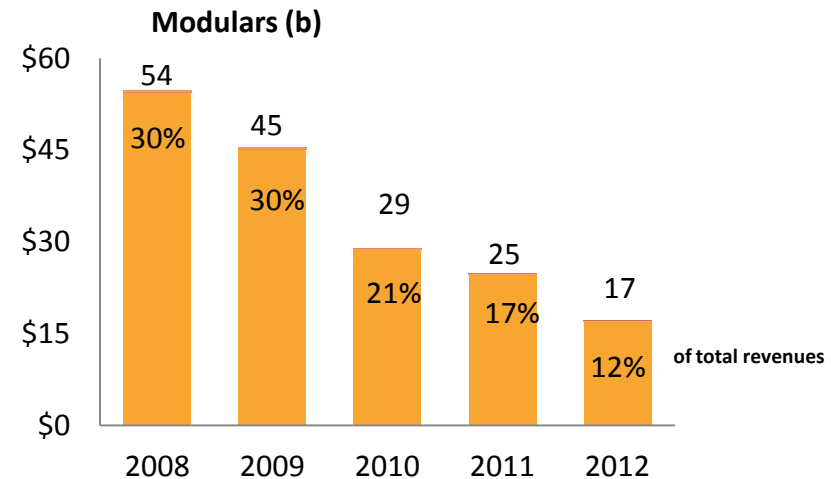
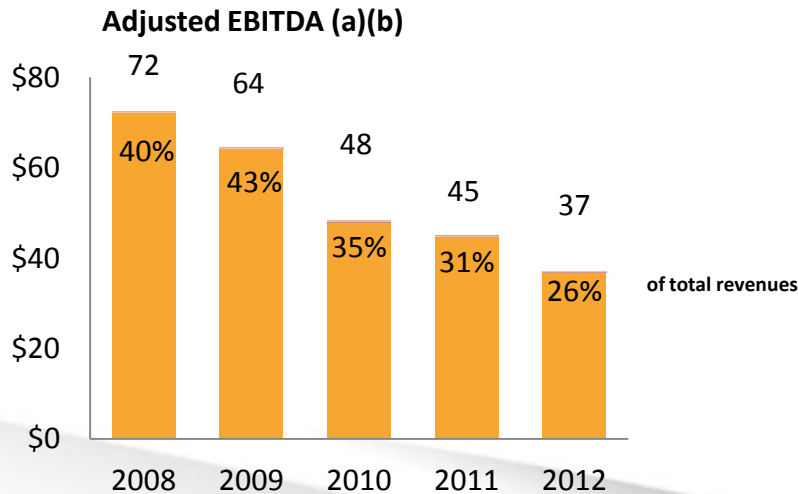
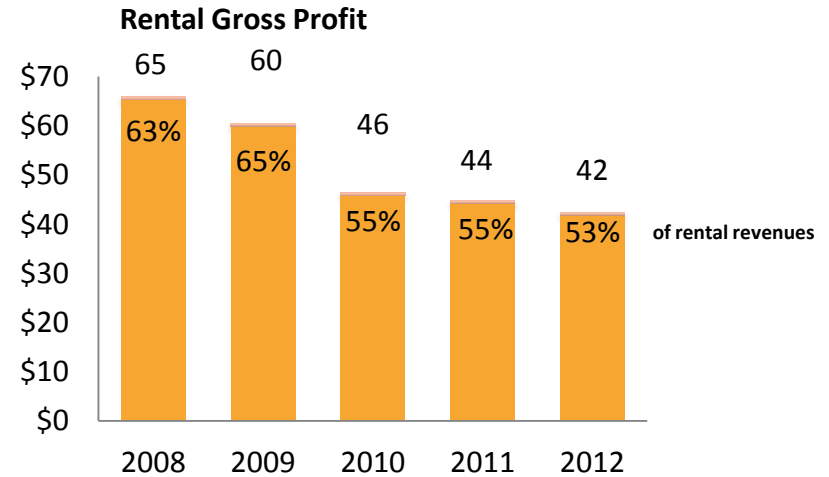
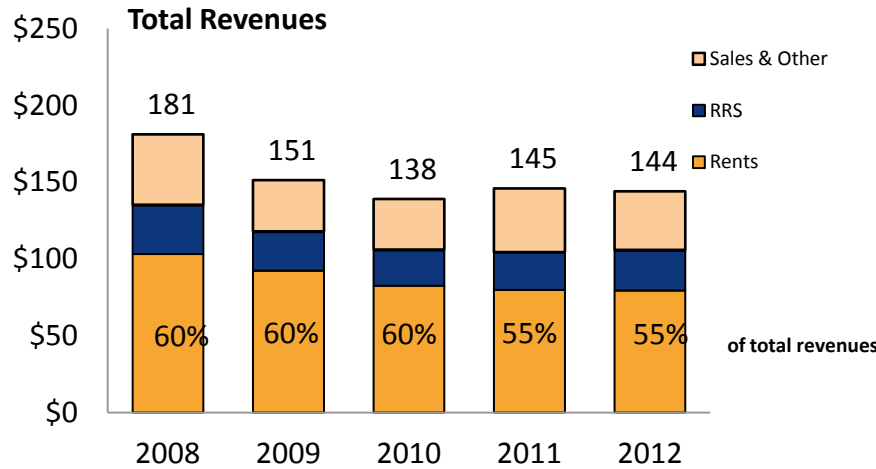
Product Utilized	User Group	Test Application
Wireless Communication Test Set	Mobile Phone Manufacturers, 3 rd Party Repair Facilities, Wireless Equipment Manufacturers	Test Mobile Phone Handsets and other wireless communications equipment.
Category 6 Cable Analyzers	Cable installation contractors, IT Departments	Installation and troubleshooting of Category 6 cable used primarily in Local Area Networks (LAN).
Power Demand & power Quality Analyzer	Electrical Contractors, Electrical Service Providers	Test electrical power quality and demand. Troubleshoot quality problems.
Optical Time Domain Reflectometers	Fiber optic cable installation and maintenance companies	Testing loss on a fiber link and locating precisely where break or loss is occurring.
Spectrum Analyzer	Aerospace and Defense contractors, Broad base of electronic equipment manufacturers; R&D Labs.	Detect and measure the power and frequency of RF signals across a range of frequencies.
Oscilloscopes	Broad base of Equipment Manufacturers ranging from Consumer Products Manufacturers to High-end Aerospace & Defense, Computer /Semiconductor Manufacturers	Display the performance of an electrical signal. Troubleshoot signal and circuit performance.

McGrath RentCorp

ADDITIONAL DETAIL – MODULARS

Modular Operating Results

(dollars in millions except per share amounts)



a) Adjusted EBITDA is defined on page 2
b) Includes Enviroplex

Modular Transaction

Illustrative Transaction – Educational Rental

Gross Margin Analysis

Customer:	California public school district
Need:	Additional classroom space for increased student population
Product:	24'x40' (960 sq.ft.) DSA Classroom
Initial Contract Term:	24 months
Capitalized Building Cost:	\$25,000

Revenues

Rental: (24 mths. x \$450)	\$ 10,800
Rental Related Services	<u>\$ 3,500</u>
Total Revenues	\$ 14,300

Costs and Expenses

Direct Costs of Rental Operations

Depreciation: (24 mths. x \$58)	\$ 1,392
Rental Related Services	\$ 3,150
Other	<u>\$ 2,000</u>
Total Costs and Expenses	\$ 6,542

Gross Profit On Total Revenues	\$ 7,758
Gross Margin On Total Revenues %	54%
Gross Profit On Rental Revenues	\$ 7,408
Gross Margin On Rental Revenues %	69%

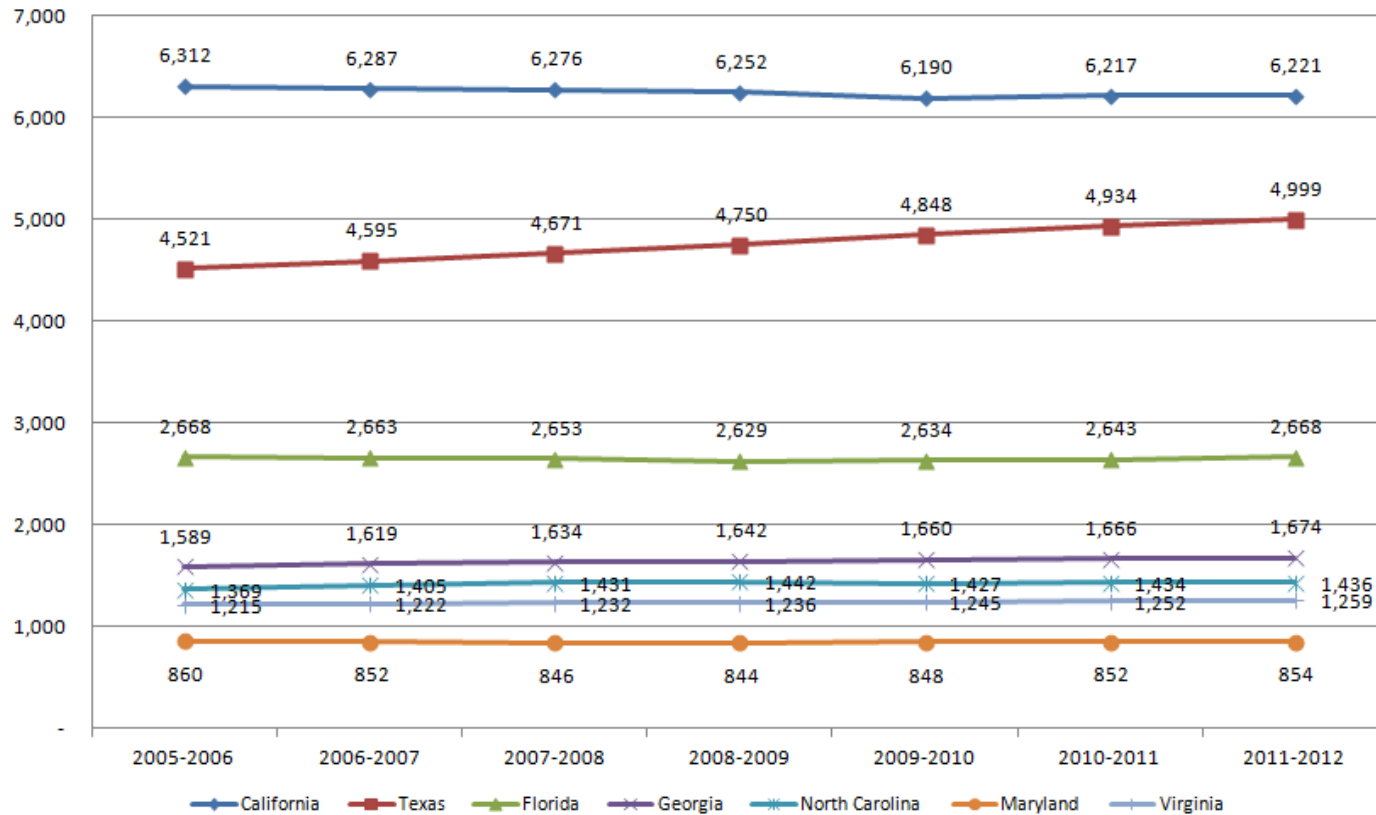
Modular Rental Applications

Education	Commercial	
<ul style="list-style-type: none"> Public School K-12 Private School K-12 Charter School Public Community Colleges Private Colleges Public Colleges 	<p>Construction/Dev</p> <ul style="list-style-type: none"> Construction Site Offices Sales Offices Architect Engineering Firms 	<p>Petrochemical</p> <ul style="list-style-type: none"> Refinery Plants Plant Operations Facilities
	<p>Government</p> <ul style="list-style-type: none"> City Services Facilities State Services Facilities Aerospace 	<p>Retail</p> <ul style="list-style-type: none"> Banks/ Credit Unions Wholesale Facilities Entertainment & Recreation
	<p>Health Care</p> <ul style="list-style-type: none"> Medical Clinics 	<p>Other</p> <ul style="list-style-type: none"> Child Care Facilities Ent. & Rec. Operation Facilities Transportation & Auto Church High Tech

K-12 Public School Educational Facilities Funding Source (by State)

State	Funding Sources	Expenditures									
		Federal	State	Local	Portable Lease	Portable Purchase	Facility Construction	Facility Modernization	Portable Lease as part of a Capital Project	Operating Budget	Other Budget
California	General Fund - Proposition 98		x		x						
	Lottery		x								
	Facilities Programs		x			x	x	x			
	Bonds, Parcel Taxes, Developer Fees, Improvement District			x	x	x	x	x	x		
	Federal Contributions	x			x	x	x	x	x		
Texas	General Fund - Property Taxes			x	x	x	x	x	x		
	Fiscal Stabilization Program, Available School Fund		x		x	x	x	x	x		
	Foundation School Program		x			x	x	x	x		
	Instructional Facilities Allotment		x			x	x	x	x		
	New Instructional Facility Allotment					x	x	x	x		
	Bonds			x			x	x	x		
	Federal Contributions	x					x	x	x		
Florida	General Fund - Education Finance Program		x		x	x	x	x			
	General Fund - Property Taxes			x	x	x	x	x			
	Capital Outlay Assessment			x	x	x	x				
	Sales Tax Supplement		x			x	x	x			
	Public Education Capital Outlay, Debt Service		x				x	x	x		
	Class Size Reduction - Lottery, Classrooms First/Capital Bonds			x			x	x	x		
	Bond Funds			x			x	x	x		
	Federal Contributions	x									
North Carolina	General Fund - Income & Sales Taxes		x		x					x	
	Public School Building Capital Fund		x			x	x	x			x
	General Fund - Property & Sales Taxes, Fines, Fees			x	x	x	x	x	x	x	x
	Average Daily Membership Fund-Corporate Income Tax			x		x	x	x			x
	General Obligation Bonds					x	x	x			
	Federal Contributions	x									x
Georgia	Quality Basic Education Act, Capitalization Outlay		x							x	
	Categorical & Educational Grants, Lottery		x								x
	Property Tax Assessment			x	x					x	
	Education Special Purpose Local Option Sales Tax, General Obligation Bonds			x		x	x	x			
	Federal Contributions	x									
Virginia	Local Composite Index			x	x					x	
	General Obligation Bonds			x		x	x	x			
	Standards of Quality, Incentive Based		x		x					x	
	Categorical, Direct Grants		x								x
	School Facilities		x			x	x	x			x
	Lottery		x								
	Federal Contributions	x									x
Maryland	Taxes - Property, Income, Real Estate, Other			x	x					x	
	General Obligation Bonds			x		x	x	x			
	General Fund - Sales Tax, Lottery		x							x	
	Fees, Fines, Reserves		x							x	
	Grants		x								x
	Federal Contributions	x									x
Wash, D.C.	General Fund - Various Taxes			x	x					x	
	School Modernization Financing Reform Act 2006			x	x	x	x	x			
	2006 Budget Support Act			x	x	x	x	x		x	
	Lottery			x	x					x	

K-12 Public School Enrollment by State



Sources: 2005-2012 Historical Data

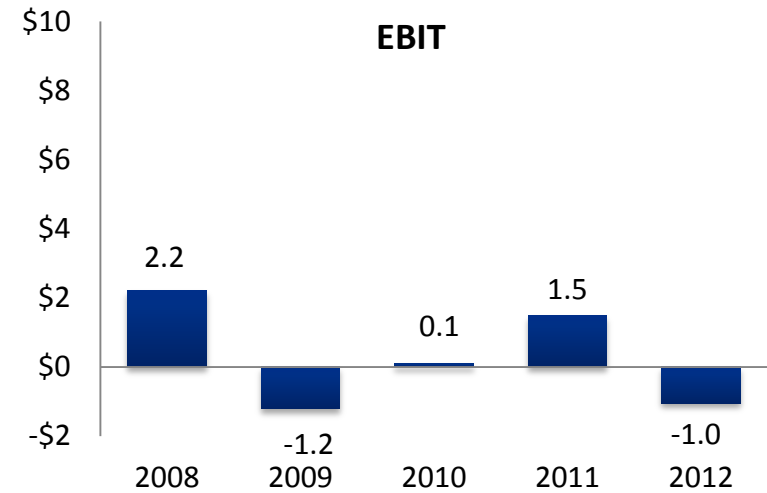
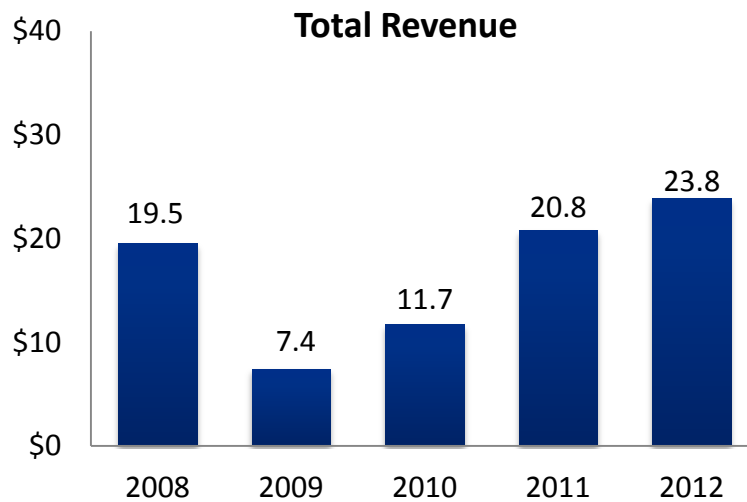
- California Department of Education
- Texas Education Agency
- Florida Department of Education
- Georgia Department of Education
- North Carolina Department of Public Instruction
- Maryland State Department of Education
- Virginia Department of Education

McGrath RentCorp

ADDITIONAL DETAIL – ENVIROPLEX

Manufacturer of High Performance Classrooms

(dollars in millions)



Manufacturer of High Performance Classrooms

Northern California— Stockton

