



**RSC**  
Equipment Rental



## Company Overview

### 3<sup>rd</sup> Quarter 2008

Unaudited financial information, current as of September 30, 2008 unless otherwise noted  
Dollar amounts presented in millions were derived from exact numbers which may result in minor rounding differences

**RRR**  
**LISTED**  
**NYSE**

## Forward looking statements and non-GAAP financial information

- Certain statements contained in this presentation are “forward-looking statements,” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management’s current expectations and are subject to uncertainty and changes in factual circumstances. The forward-looking statements herein include statements regarding the company’s future financial position, end-market outlook, business strategy, budgets, projected costs and plans and objectives of management for future operations. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “plan”, “seek”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe” or “continue” or the negative thereof or variations thereon or similar terminology.
- The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: the effect of an economic downturn or other factors resulting in a decline in non-residential construction and capital investment; increased competition from other companies in the company’s industry and its inability to increase or maintain its prices; risks related to the credit markets willingness to continue to lend to borrowers rated B- and Caa1; the company’s ability to generate cash and/or incur additional indebtedness to finance equipment purchases; heavy reliance on centralized information systems; exposure to claims for personal injury, death and property damage resulting from the use of equipment rented or sold by us; the effect of changes in laws and regulations, including those relating to the environment and customer privacy, among others; fluctuations in fuel or supply costs; and claims that the software products and information systems on which the company relies infringe on the intellectual property rights of others. More detailed information about these and other factors is set forth in the company’s filings with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K. Undue reliance should not be placed on these forward-looking statements, which are current only as of the date of this presentation. The company disclaims any current intention or obligation to update any forward-looking statements or any of the factors that may affect actual results
- In addition to disclosing financial results that are determined in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company also discloses in this presentation certain non-GAAP financial information including adjusted operating income, adjusted net income per diluted share, adjusted EBITDA and free cash flow. These financial measures are not recognized measures under GAAP and are not intended to be and should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.
- Throughout this document the term “LTM” is used to indicate the most recent twelve month period preceding the date indicated.

## Executive Summary

- Best-in-class equipment rental company
- #2 market position and taking market share
- Track record of significant free cash flow before growth capex during all parts of the cycle
- Compelling end market mix with non-construction business making up more than 35% of revenues

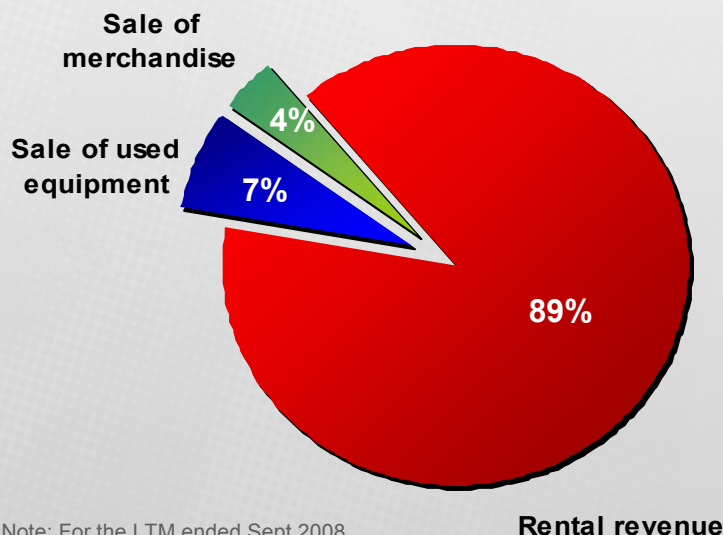
**The premier equipment rental company**

# RSC overview

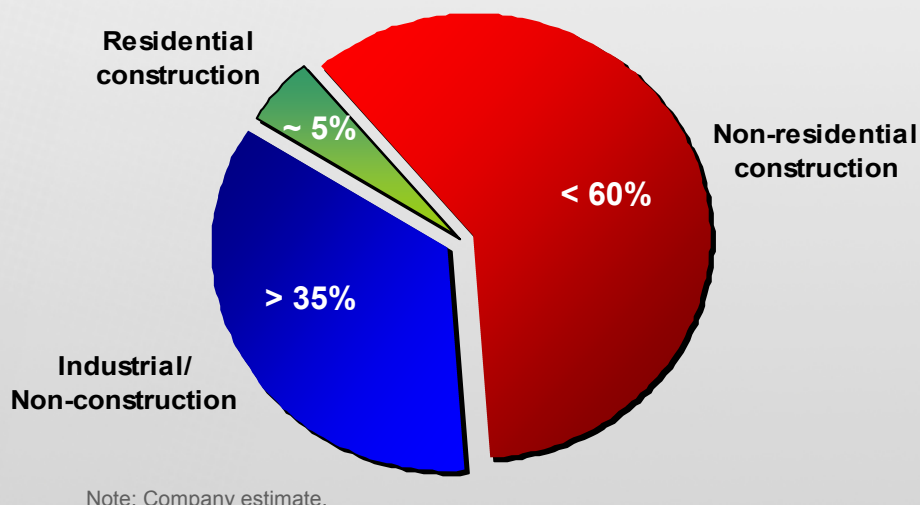
## Leading North American equipment rental provider

- Strong organic growth and market share gains
  - Well diversified end markets
  - Best in class customer service standards
  - Young and well maintained fleet
  - Highly experienced management team
- LTM revenue of \$1.8 billion
  - Adjusted EBITDA of \$808 million, 45% margin
  - Approximately \$2.8 billion of fleet
  - 470 rental locations
  - Over 5,300 employees

## Revenue by type



## Revenue breakdown by end market

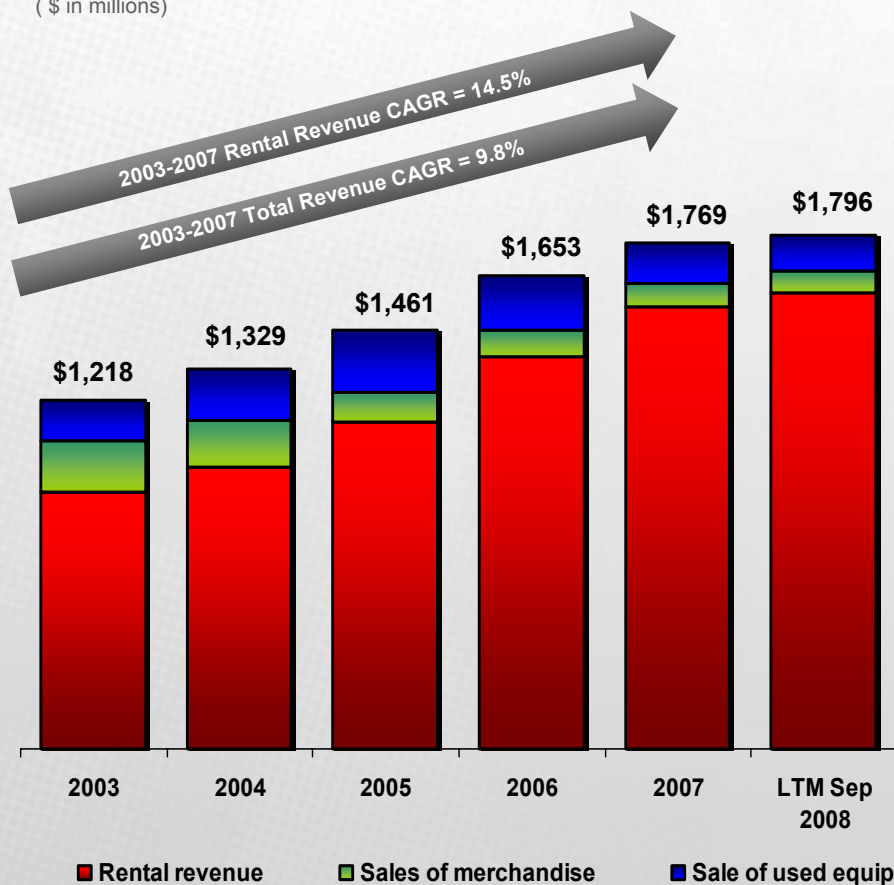


## Focus on rental activity with diversified end markets

# Proven financial performance

## Revenue

(\$ in millions)



## Adjusted EBITDA

(\$ in millions)



**Strong revenue growth and margin expansion over the last 5 years**

# Strong free cash flow

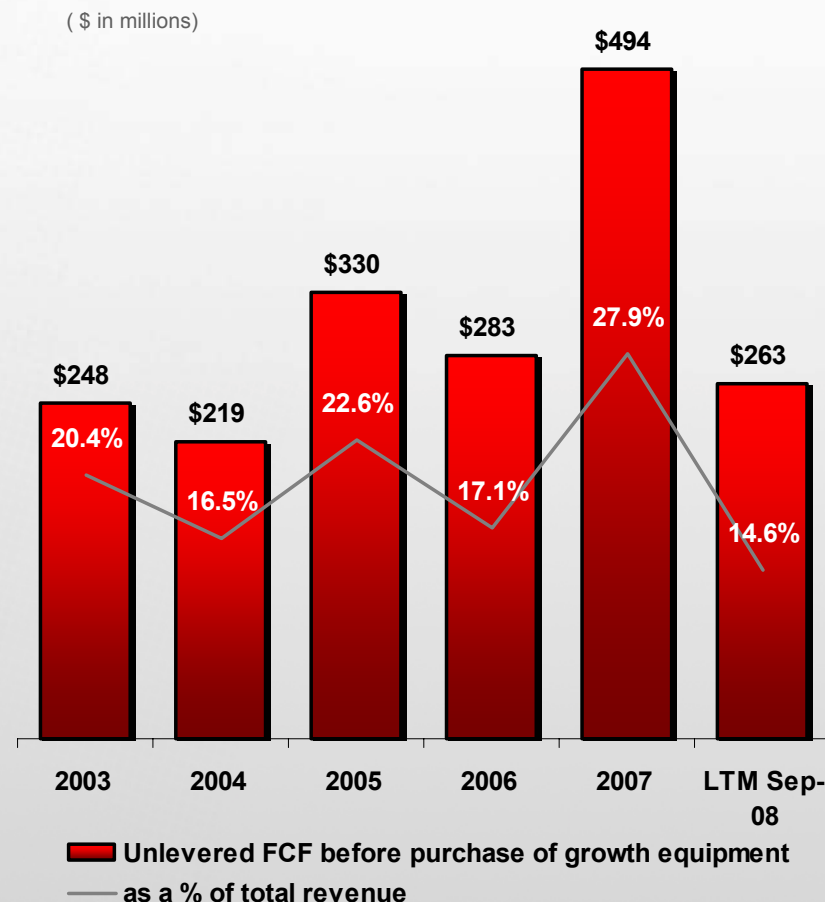
## Attractive cash flow profile

Unlevered FCF:

LTM Sept '08	\$263m
Included A/P reduction	<u>232m</u>
'Normalized'	\$495m

Additional downturn levers:

- Halt growth capex
- Age fleet
- Accelerate used equipment sales



## Strategy and tactics focused on producing strong free cash flow

# RSC Business Model

## Manufacturer perspective

- Capital efficiency
- Cost control
- Continuous improvement
- Safety / maintenance driven



## Entrepreneurial spirit

- Decentralized service and relationships
- Close to the customer
- Exceeding customer expectations
- Customer driven fleet deployment



## Delivers best-in-class operating and financial results

### Operating

- Reliability: ~ 98% current on preventive maintenance
- Availability: ~ 98% on-time delivery  
~ 20% of fleet available
- Service: Unique 24/7 in-house support
- Utilization: ~72%
- Customer net promoter scores > 60%



### Financial

- Rental revenue CAGR 14.5%, '03 – '07
- 45% LTM EBITDA margin
- Return on Capital Employed 20%
- \$263 million unlevered FCF before growth capex, LTM September '08
- ~30% margin on used equipment sales



## Unique business model drives shareholder value

## Diversified end markets

### Non-residential construction

- < 60% of YTD 9/08 company revenues
- Customers:
  - National, regional, local and private
  - General and specialty contractors
- Projects: commercial, institutional, infrastructure and power & energy



### Industrial

- > 35% of YTD 9/08 company revenues
- Customers:
  - Mines, petrochemical, power generation
  - Food, entertainment, industrial mfg
- Projects: MRO, including planned maintenance shutdowns



### Residential

- ~ 5% of YTD 9/08 company revenues
- Customers:
  - General contractors
  - Sub-contractors
- Projects: new construction and remodeling



**Diversification is toward greater industrial concentration**

## Industrial customer solutions

### On-site account management

- Addresses specialized needs of larger industrial customers nationwide
- Long-term agreements
- Negotiated rate structures for equipment
- Priority fleet availability
- Defined service level agreements



### Managed service programs

#### Total Control®

- Proprietary online fleet management software

#### Mobile Tool Room™

- On-demand portable units; provides on-site access to custom stocked tools and supplies



**Customer service focus drives revenue growth and retention**

# Robust customer base

## Diversified customer base

- Top 10 customers combined represent < 10% of total revenues
- No one customer accounts for > 2% of total revenues
- Approximately 460,000 active customers over last 18 months
- Decreased risks associated with customer loss, industry downturns, cyclical and seasonality

## Established partnerships

- Long and stable relationships with most customers, including the majority of top 20 accounts
- ~ 85% recurring revenues from existing customers
- ~ 70% of rental revenues from monthly rentals

## Selected RSC customers

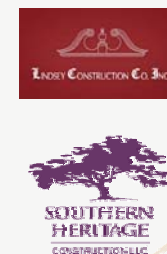
### Non-residential construction



### Industrial



### Residential



## Strong relationships with diversified customers

# Best-in-class customer service standards

Equipment is mission critical, but only 2-3% of project cost

## Customer Need #1 Availability

- Unlimited supply
- Top quality brands
- Diverse equipment categories

## Customer Need #2 Reliability

- No break-downs
- Fast service response
- Safe and modern equipment

## Customer Need #3 Service

- Hassle-free experience
- Professional & courteous
- Partnership & commitment

Innovative solutions for consistent, best-in-class customer experience

### Examples:

- Extensive geographic footprint
- Large, diversified fleet mix
- 98 percent on time delivery
- Continuous fleet transfers
- Shopflow system ensures in-demand equipment ready to rent

### Examples:

- Rigorous preventive maintenance ~ 98% current on manufacturer's recommendation
- Young fleet age
- Field service
- Major repair outsourcing
- Solid and foam filled tires

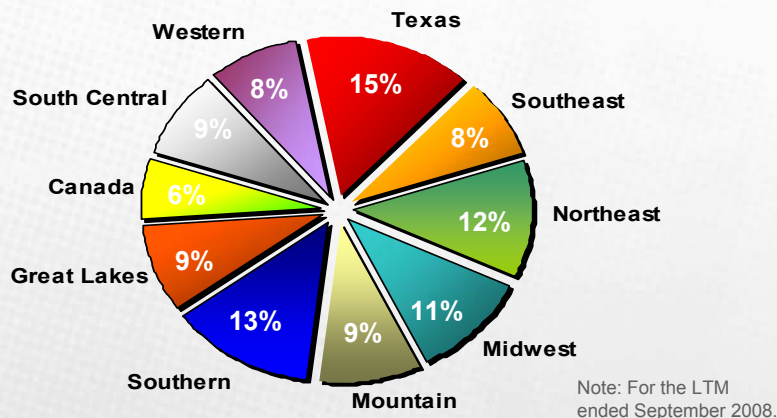
### Examples:

- 24/7 in-house support
- On time delivery & pickup
- Billing accuracy
- Process improvement – 5S

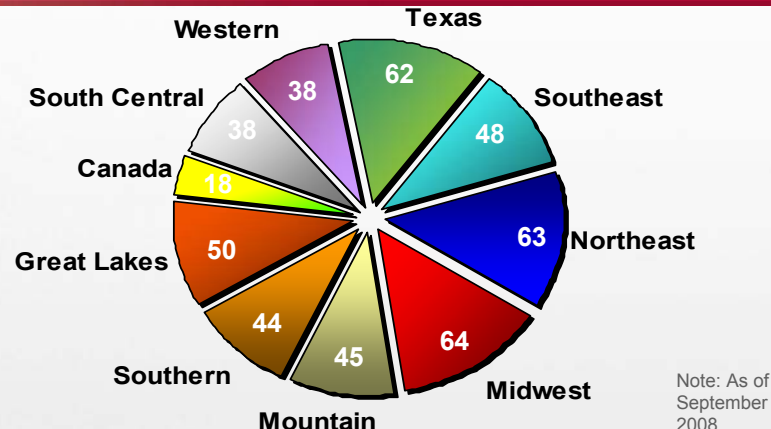
**Availability + Reliability + Service = Customer Expectations**

# Geographic diversity

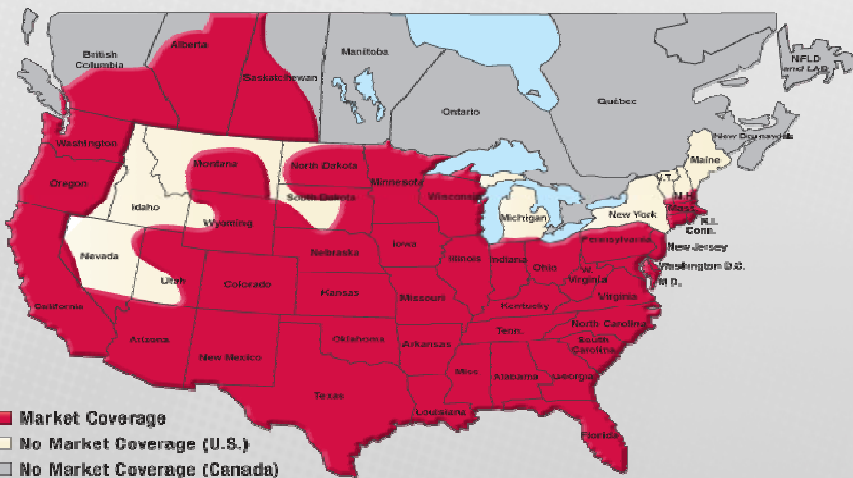
## Revenue breakdown by region



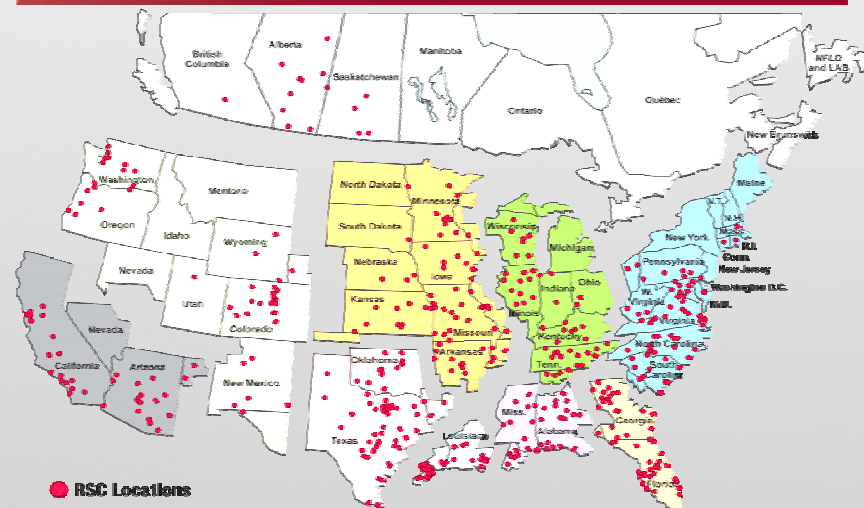
## Branches by region



## Market coverage map



## Location map



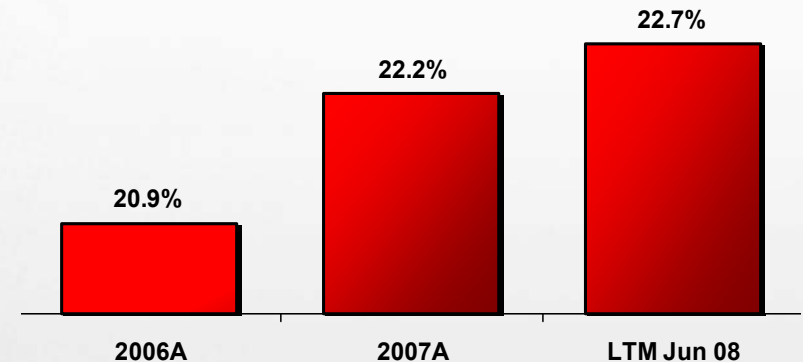
## Extensive geographic footprint

# Growing Market Share

## Strategies

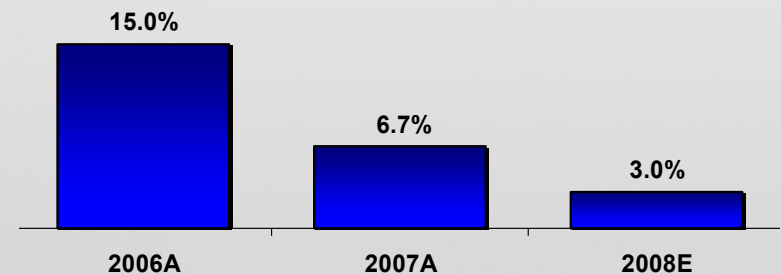
- Proactively adjust to changing market conditions
- Focus on growing industrial business
- Sales and territory management
  - Addition of sales people
  - New territories
  - Training
  - Greater share of wallet
- Maintain high service levels
- Develop and expand innovative solutions

## RSC's rental revenue share: top four equipment rental companies



Note: Competitors include United Rentals, Hertz, and Sunbelt.

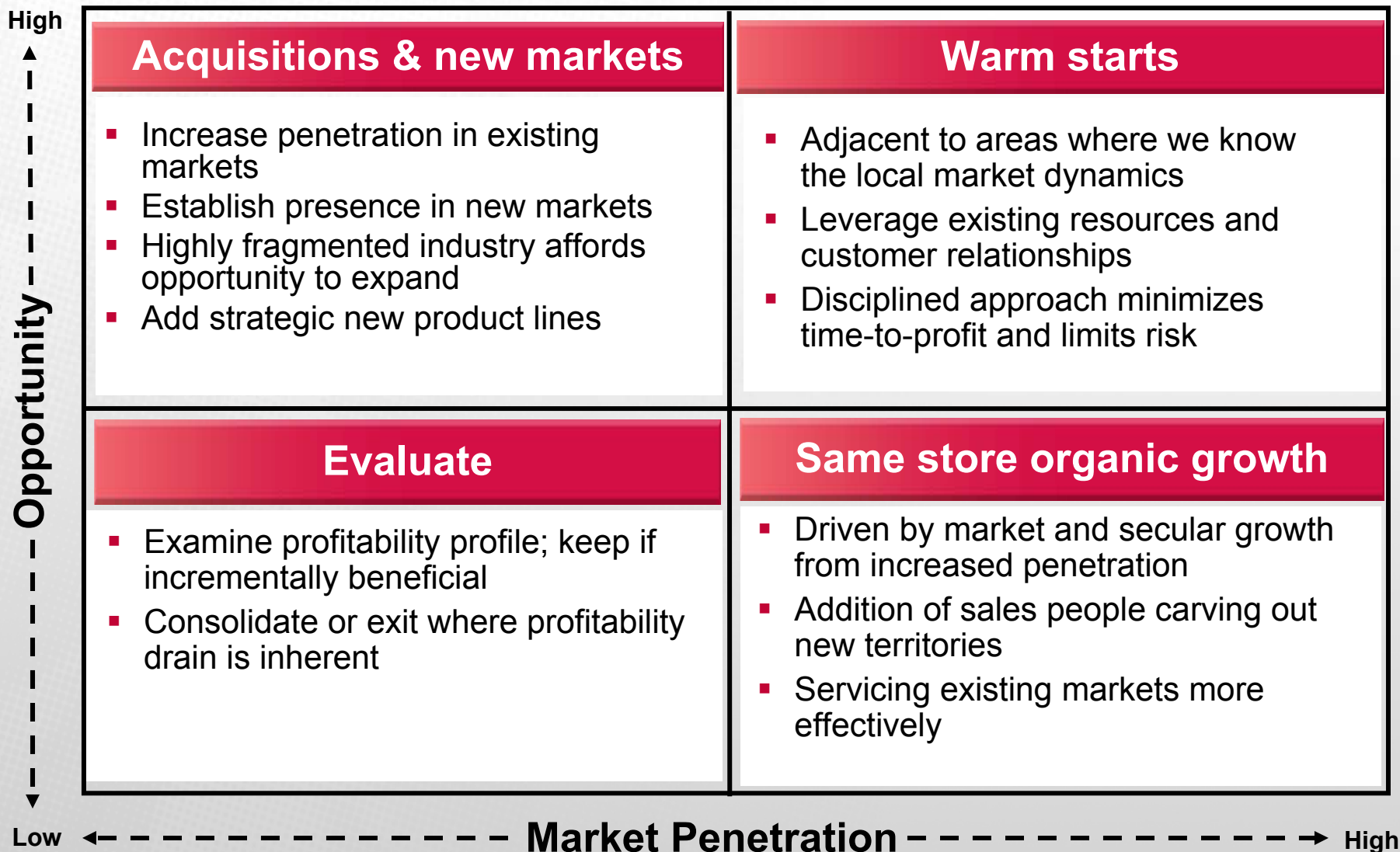
## Real rental revenue growth vs. real market growth



Note: RSC rental revenue growth compared to market data from Global Insight, real data, October 2008.

## Drive profitable volume growth

# Significant growth opportunities



**Significant opportunities for growth**

# Industry growth

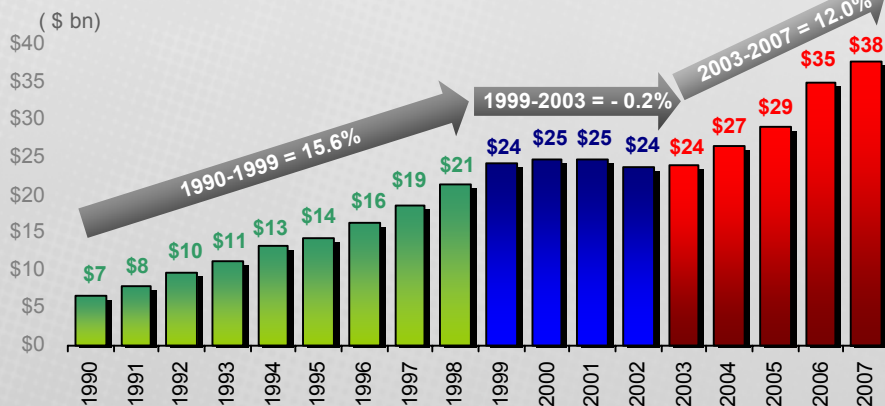
## Attractive and growing industry

- The rental sector has grown at a 10.8% CAGR from 1990 to 2007
- Growth drivers are non-residential construction, industrial activity and increased rental penetration
- Top 100 rental companies comprise only 37% of the industry<sup>(a)</sup>

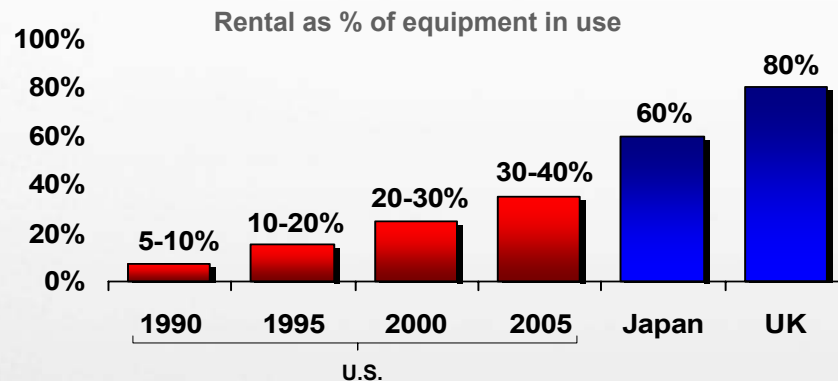
(a) Rental Equipment Register (5/2008), Manfredi & Associates (2/2008).

## U.S. equipment rental industry revenue, CAGR

Source: Rental Equipment Register, Manfredi & Associates (2/2008)

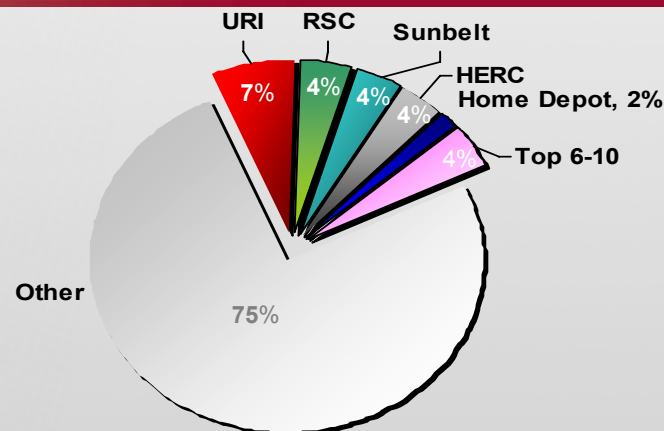


## U.S. secular trend: rental penetration



Source: Rental Equipment Register, Manfredi & Associates, ARA, International Rental News

## 2007 U.S. total market size = \$38B



Source: Rental Equipment Register (5/2008), Manfredi & Associates (2/2008)

## Continued opportunity for growth and consolidation

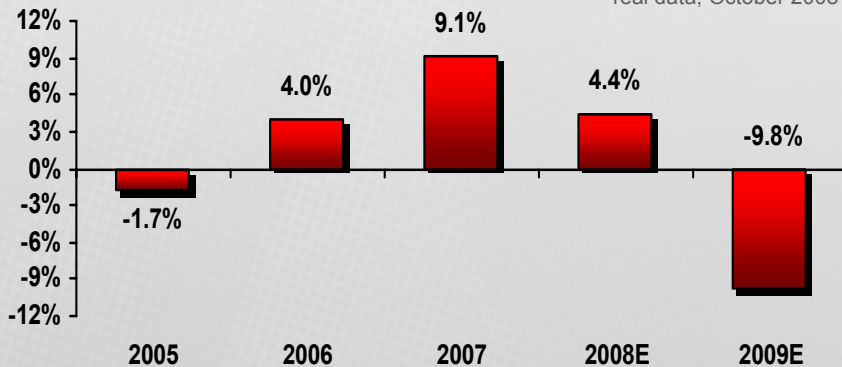
# End market trends

## Trends

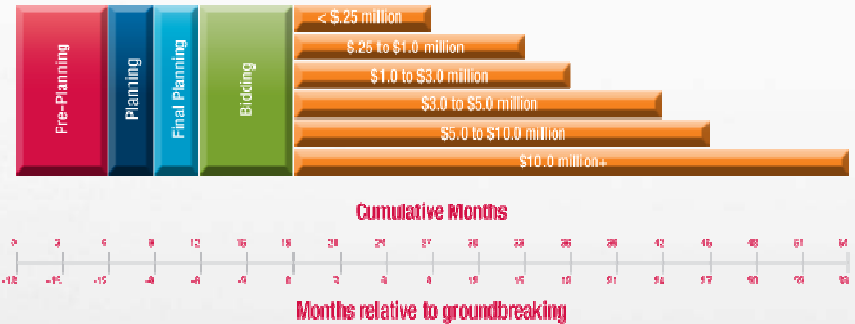
- Multiple, diverse and largely independent sectors make up the non-residential and industrial markets
  - e.g. power and energy, infrastructure, healthcare and education construction.
- Secular shift toward renting versus owning should mute the impact of a downturn

## Non-residential construction real growth

Source: Global Insight, real data, October 2008



## Construction length of projects



Source: McGraw-Hill Construction Dodge

## Industrial capacity utilization: Maintenance spending and capital projects drive demand

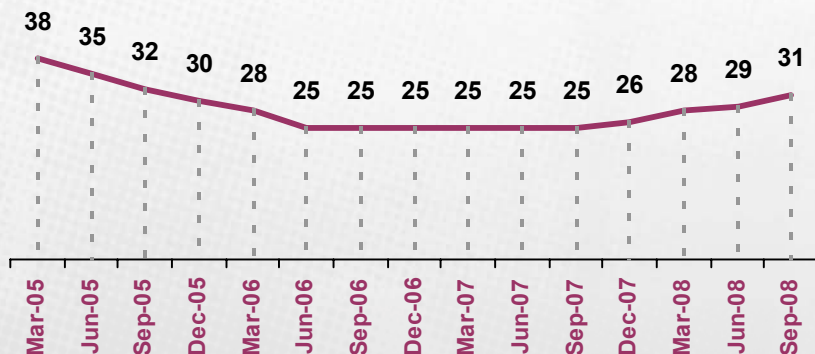


Source: Federal Reserve Board

## End market diversification should mute impact of downturn

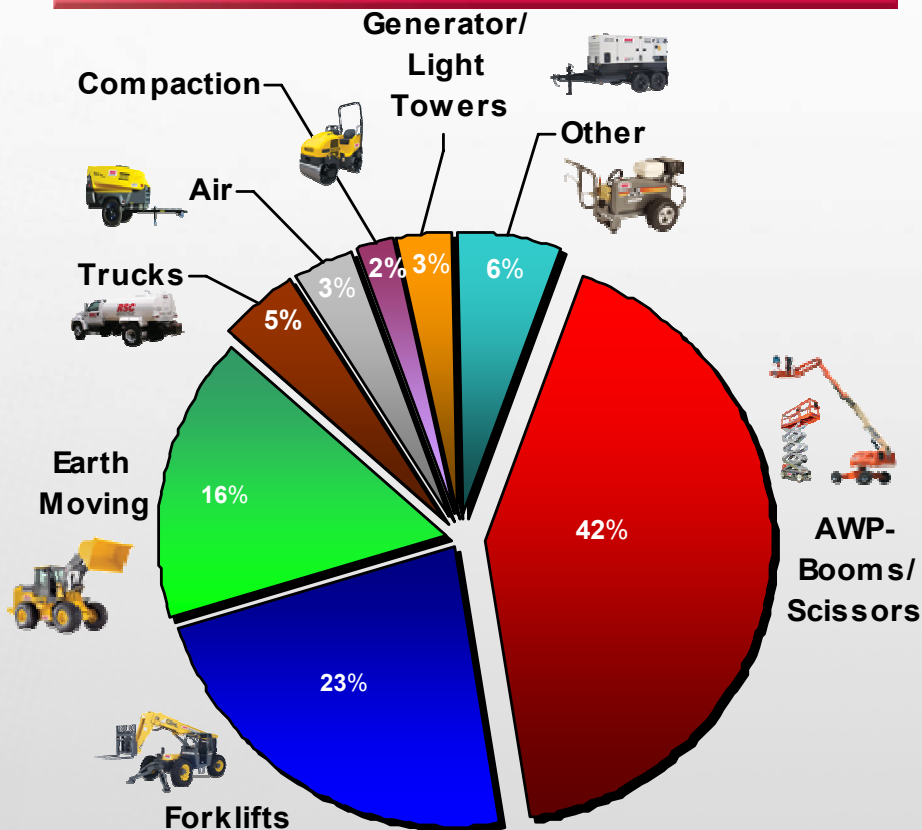
# RSC Business Model: provide young and well maintained fleet

## RSC – Fleet Age (months)



- Young fleet age at 31 months
  - Reduces need for replacement capex
- Aggressive adherence to manufacturer's recommended preventive maintenance
- Well balanced fleet mix reflective of customer base

## Percentage of fleet cost



Note: As of September 2008.  
Total original equipment cost: \$2.8 billion, in over 1,100 categories.

**Excellent condition of fleet drives high availability and reliability**

# RSC Business Model: focus on fleet management

## Disciplined fleet management

- Adjust the fleet size in response to demand
- High degree of fleet sharing and mobility
- Fleet investment based on strict return guidelines
- Continuously monitor performance criteria
- Integrated maintenance and reservation systems
- Minimize non-available and under-utilized fleet

## Revenue driven model for capex

- Revenue – currently known
- +/- Planned growth (quarterly)

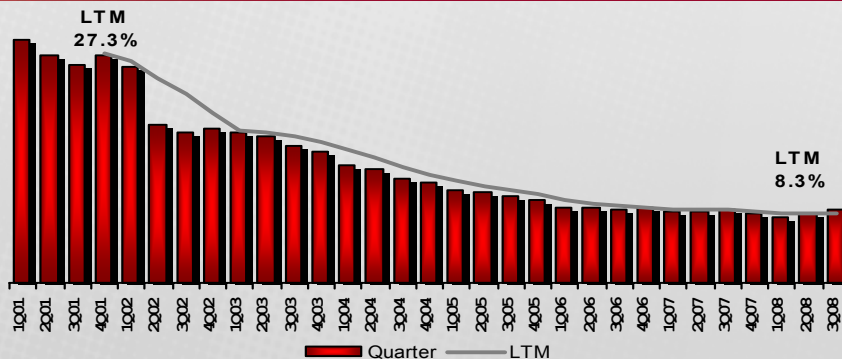
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- = Revenue forecast
- ÷ Targeted ROI% (price & utilization)

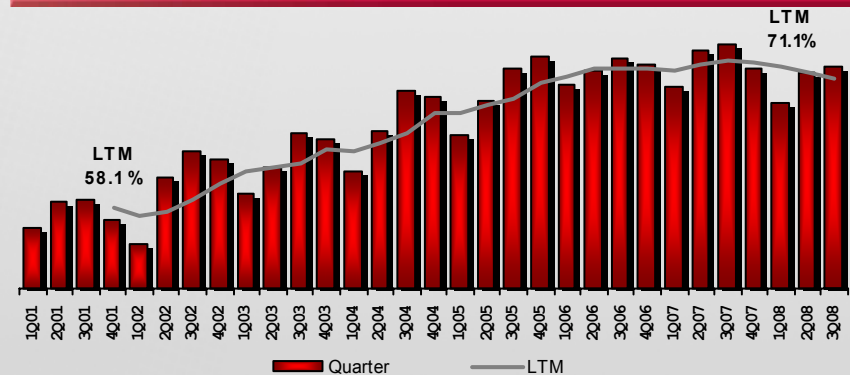
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- = Fleet forecast (quarterly)

## Non-available fleet (%)



## Utilization (%)



**Disciplined fleet and capital expenditures management drive utilization**

# RSC Business Model: superior supply chain strategy

## Commitment to flexibility

- Flexible, fast and consistent ordering and delivery
- Short lead times
- Supports revenue-driven capex model

## Partnering with the best

- Premier suppliers
- Long standing partnerships
- Defined supplier evaluation

## Diversification and consolidation

- Product diversification
- Consolidated supplier base

## Selected RSC suppliers






JOHN DEERE







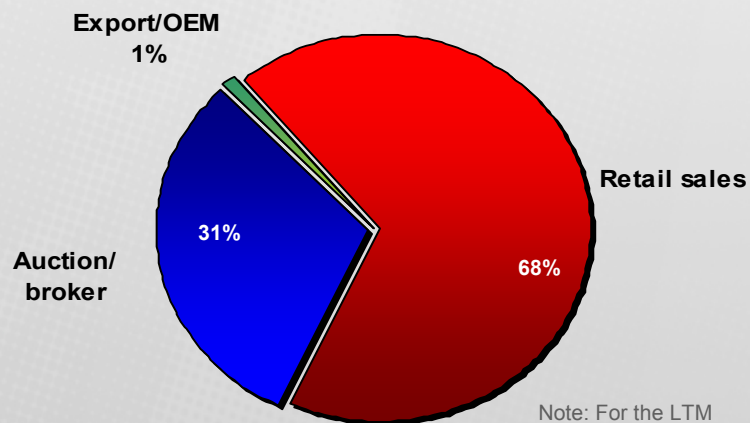
## Great relationships with minimal commitment

# Used equipment sales

## RSC strategy

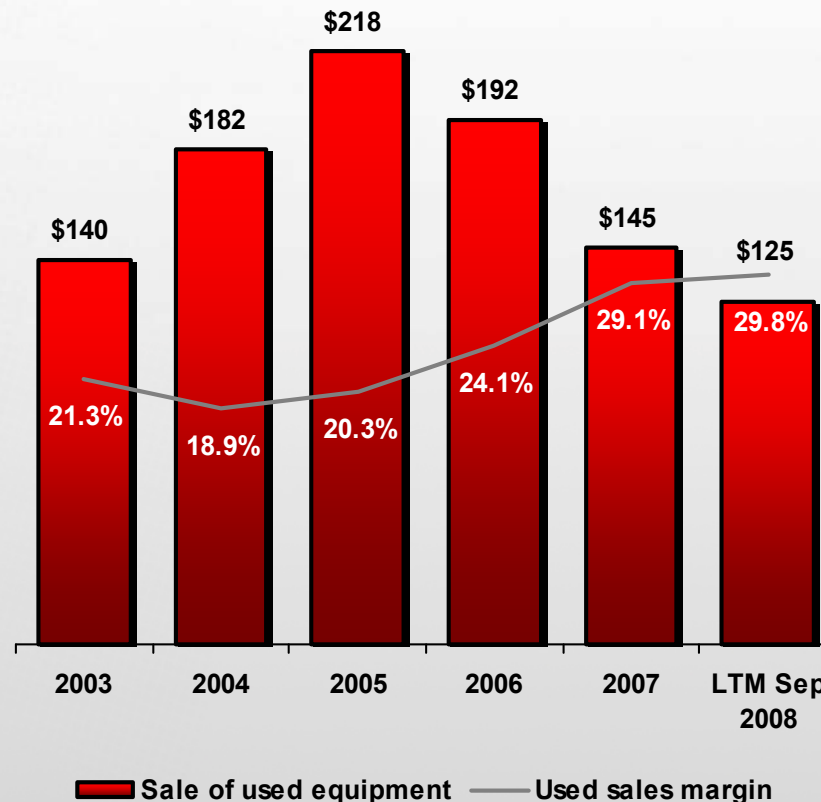
- Integral part of our rental operation
  - Maintain desired fleet size and mix
  - Target older and/or underperforming pieces
- Branches responsible for used equipment sale
  - Accountability drives strong margins
- Majority of sales through retail channels
- Commitment to service excellence supports higher resale values

## RSC sales by channels



Note: For the LTM ended September 2008.

## RSC sales and profitability



**Fleet management is a core operating competency**

# Used equipment market

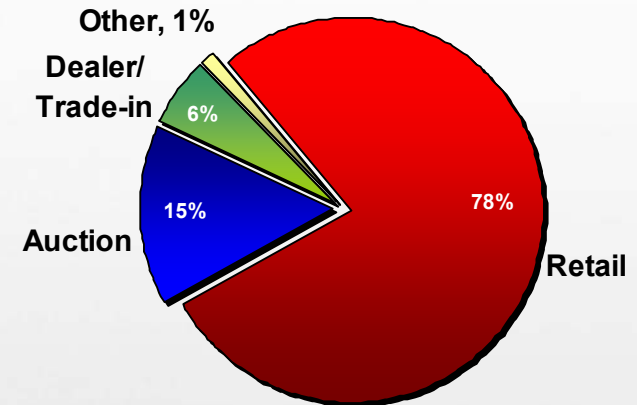
## Industry characteristics

- Est. market size: \$100 billion
- Avg. age of fleet sold in 2007: 59 months
  - 66% of fleet sold >3 years old
- Reasons for purchasing
  - High frequency of usage
  - Cost
  - Availability
- Valuation factors
  - Market conditions
  - Types of project demand
  - New equipment prices
  - Exchange rates

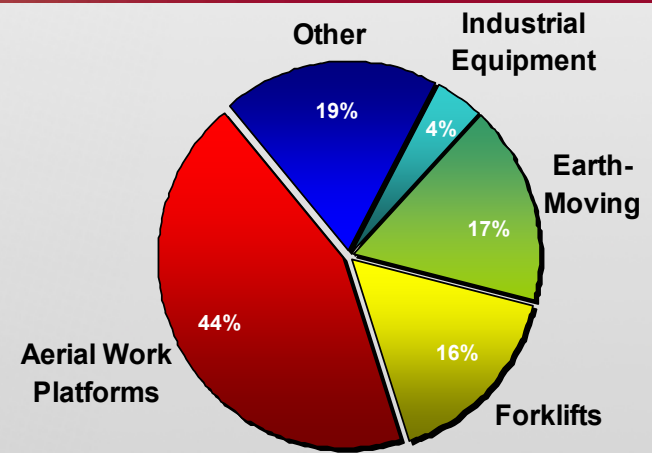
Note: Charts for the LTM ended December 2007.

Source: Rouse Asset Services, Feb 2008

## Industry sales by channels



## Industry sales by category



**Used equipment market continues to be healthy**

# Merchandise sales

## Streamlined product selection

- Merchandise complementary to our core rental business
  - Contractor supplies
    - Safety equipment (e.g., hard hats, goggles)
    - Tools (e.g., ladders, shovels)
  - Consumables (e.g., blades, gloves)
  - Ancillary products
- High-margin, high-turn convenience products

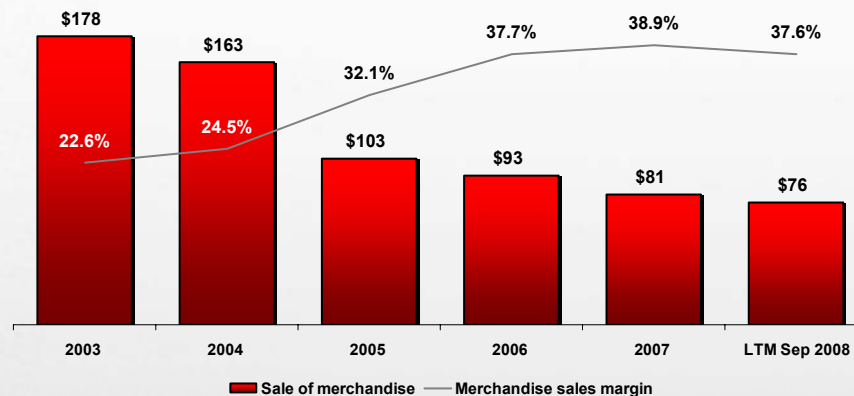
## Implementing professionally designed showrooms



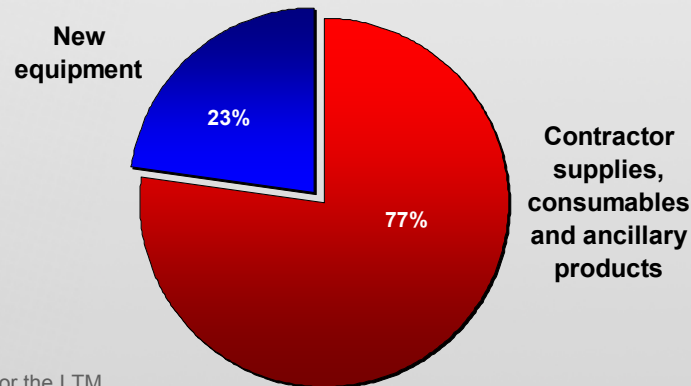
**Core rental focus with right merchandise mix drives higher profitability**

## Sales and profitability

(\$ in millions)

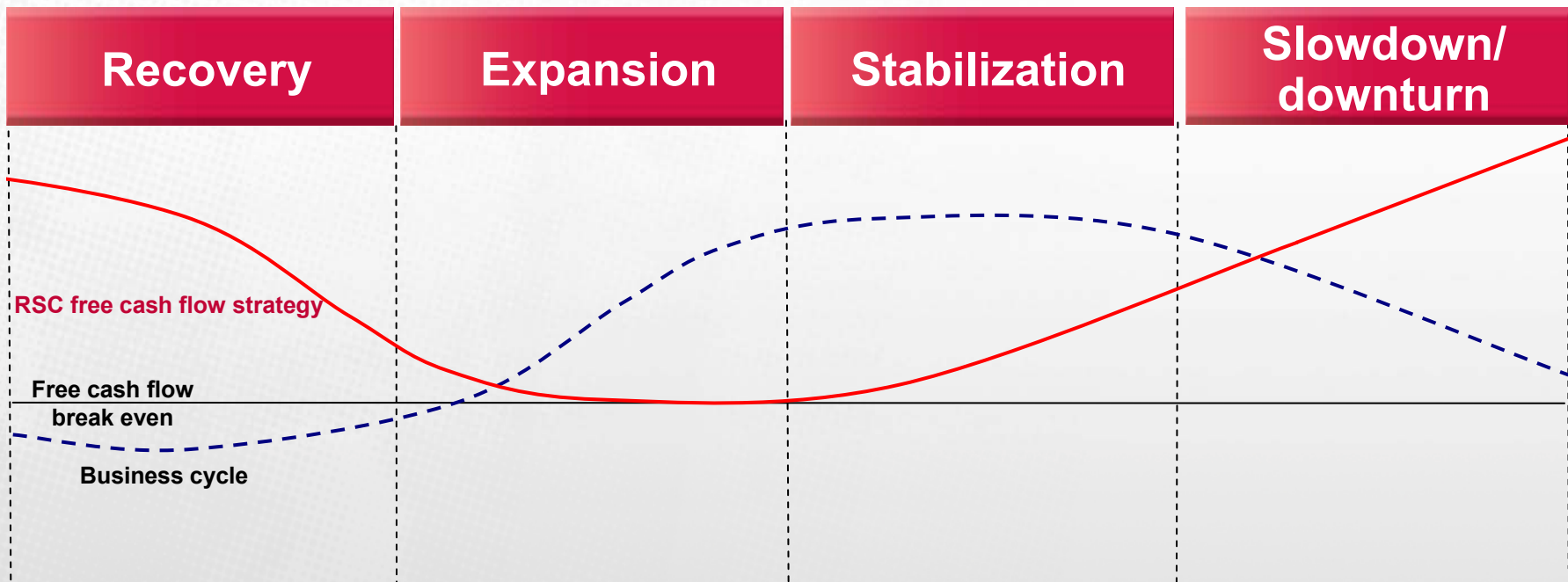


## Revenue composition



Note: For the LTM ended Sep 2008.

# RSC Business Model: managing the business cycle

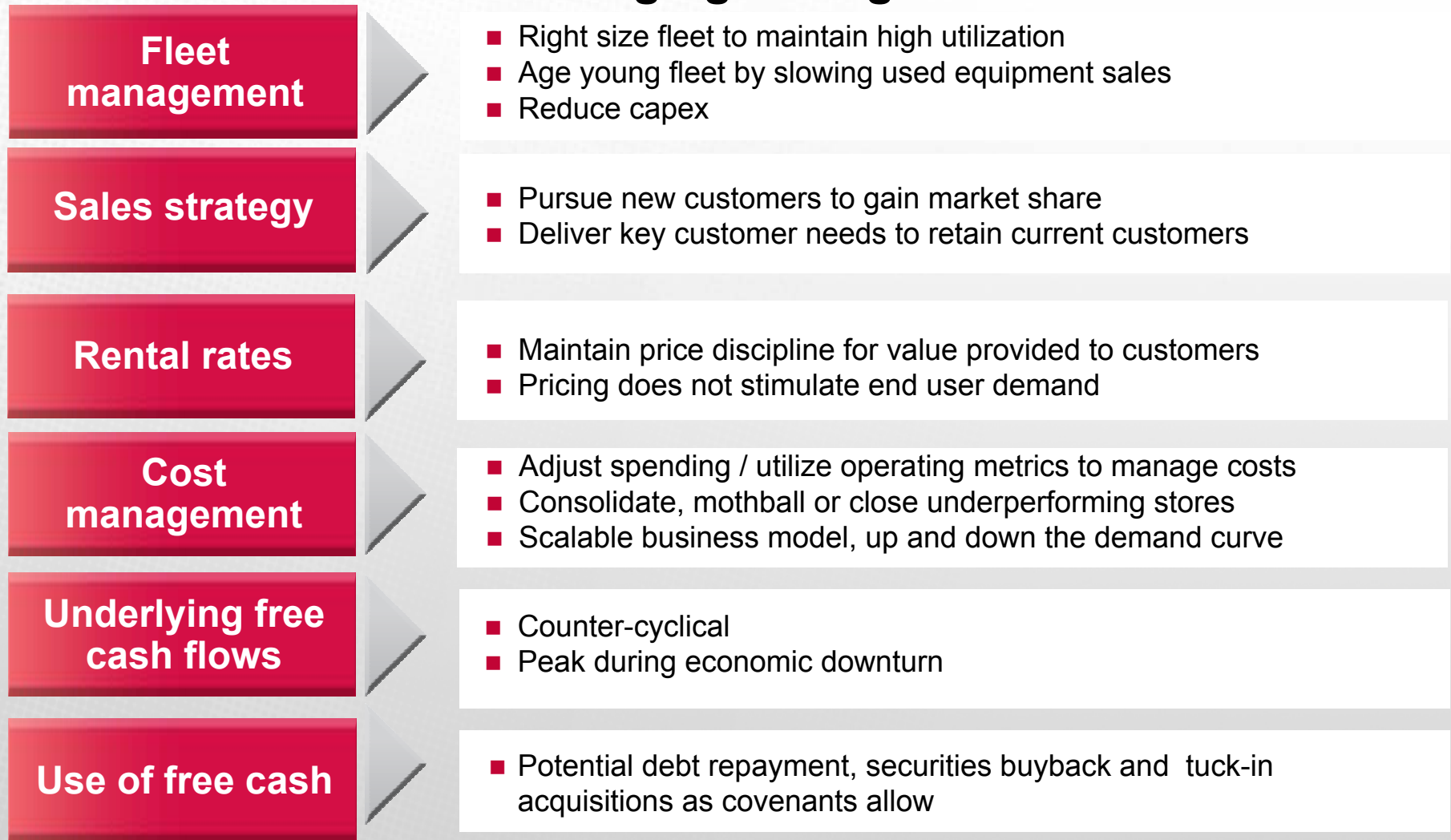


## Key characteristics

- |   |  |   |   |
|---|--|---|---|
| <ul style="list-style-type: none"> <li>▪ Early signs of sales growth</li> <li>▪ Incremental capex requirements</li> </ul> | <ul style="list-style-type: none"> <li>▪ Strongest growth in volume</li> <li>▪ Growth capex is required</li> </ul> | <ul style="list-style-type: none"> <li>▪ Continued strong growth in volume</li> <li>▪ Balance fleet investment vs. utilization</li> </ul> | <ul style="list-style-type: none"> <li>▪ Magnitude of sales slowdown</li> <li>▪ Reduction in fleet size</li> <li>▪ Manage fleet anticipating cyclical turn</li> </ul> |
|---|--|---|---|

**Strong free cash flow throughout cycle**

## RSC Business Model: managing through an economic downturn



**Emerge stronger and better positioned**

# RSC today versus 2001

## Profitability driven by manufacturing 'flow' techniques

Metric	2001	YTD September 2008
<b>Business Strategy</b>	<ul style="list-style-type: none"> <li>▪ One stop shop</li> <li>▪ Fleet driven</li> <li>▪ Annual fleet budgets from corporate</li> <li>▪ Acquisitions</li> <li>▪ Centralized</li> <li>▪ Fragmented culture</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental focus</li> <li>▪ Demand driven</li> <li>▪ Quarterly fleet planning from the field</li> <li>▪ Organic growth</li> <li>▪ Decentralized</li> <li>▪ Cohesive culture</li> </ul>
<b>Revenue Mix – Last 12 Months</b>	<ul style="list-style-type: none"> <li>▪ Rental revenue 74%</li> <li>▪ Merchandise revenue 13%</li> <li>▪ Used equipment 13%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental revenue 89%</li> <li>▪ Merchandise revenue 4%</li> <li>▪ Used equipment 7%</li> </ul>
<b>LTM metrics:</b>		
Utilization	58%	71%
Unavailable fleet	27%	8%
Fleet Age	32 months*	31 months
# of Employees	7,377*	5,329
# of Stores	590*	470
Original equipment fleet cost	\$2.2 billion*	\$2.8 billion

**Significantly stronger and industry leading operational profile**

# Strong free cash flow







## Attractive cash flow profile

(\$ in millions) *	2003	2004	2005	2006	2007	LTM Sep-08
Net operating profit after tax	\$78	\$136	\$196	\$257	\$277	\$266
Depreciation and amortization	220	225	246	292	341	367
Gain on sales of rental and non-rental PPE, net of non-cash writeoffs	(27)	(37)	(45)	(44)	(43)	(35)
Share-based compensation expense and other non-cash items			3	7	4	4
<b>Accounts payable</b>	<b>49</b>	<b>73</b>	<b>120</b>	<b>(68)</b>	<b>(1)</b>	<b>(232)</b>
Other changes in operating assets and liabilities	35	5	(2)	13	32	10
Purchase of replacement rental equipment	(244)	(364)	(418)	(352)	(252)	(232)
Purchase of property and equipment	(10)	(33)	(5)	(29)	(21)	(18)
Proceeds from sales of rental equipment	140	181	218	192	145	125
Proceeds from sales of property and equipment	7	34	16	16	11	6
<b>Net capital expenditures before purchase of growth rental equipment</b>	<b>(107)</b>	<b>(182)</b>	<b>(189)</b>	<b>(173)</b>	<b>(116)</b>	<b>(119)</b>
<b>Unlevered free cash flow before purchase of growth rental equipment</b>	<b>\$248</b>	<b>\$219</b>	<b>\$330</b>	<b>\$283</b>	<b>\$494</b>	<b>\$263</b>
<i>As a % of total revenue</i>	<i>20%</i>	<i>17%</i>	<i>23%</i>	<i>17%</i>	<i>28%</i>	<i>15%</i>
Purchase of growth rental equipment	0	(56)	(274)	(369)	(328)	(62)
<b>Net capital expenditures after purchase of growth rental equipment</b>	<b>(107)</b>	<b>(238)</b>	<b>(463)</b>	<b>(542)</b>	<b>(444)</b>	<b>(181)</b>
<b>Unlevered free cash flow after purchase of growth rental equipment</b>	<b>\$248</b>	<b>\$164</b>	<b>\$56</b>	<b>(\$86)</b>	<b>\$166</b>	<b>\$200</b>
Leverage and other related activities	(14)	35	40	(21)	(105)	(77)
<b>Levered free cash flow after purchase of growth rental equipment</b>	<b>\$234</b>	<b>\$198</b>	<b>\$96</b>	<b>(\$106)</b>	<b>\$61</b>	<b>\$123</b>

\* See definitions and non-GAAP reconciliation in Appendix

## Strategy and tactics focused on producing strong free cash flow

# Debt and Covenants\*

<b>Current debt</b>		<table border="0"> <tr> <td style="text-align: center;"><u>Composition</u></td> <td style="text-align: center;"><u>Interest Rates</u></td> <td style="text-align: center;"><u>Maturities</u></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>■ Sr. Debt \$1.9 billion</li> <li>■ Sr. Notes 0.6 billion</li> <li>■ Cap. Leases 0.1 billion</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>■ 40% Variable</li> <li>■ 60% Fixed</li> <li>■ Average ~ 8%</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>■ Nov. 2011 \$0.7 billion</li> <li>■ Nov. 2012 0.3 billion</li> <li>■ 2013 - 2014 1.6 billion</li> </ul> </td> </tr> </table>	<u>Composition</u>	<u>Interest Rates</u>	<u>Maturities</u>	<ul style="list-style-type: none"> <li>■ Sr. Debt \$1.9 billion</li> <li>■ Sr. Notes 0.6 billion</li> <li>■ Cap. Leases 0.1 billion</li> </ul>	<ul style="list-style-type: none"> <li>■ 40% Variable</li> <li>■ 60% Fixed</li> <li>■ Average ~ 8%</li> </ul>	<ul style="list-style-type: none"> <li>■ Nov. 2011 \$0.7 billion</li> <li>■ Nov. 2012 0.3 billion</li> <li>■ 2013 - 2014 1.6 billion</li> </ul>
<u>Composition</u>	<u>Interest Rates</u>	<u>Maturities</u>						
<ul style="list-style-type: none"> <li>■ Sr. Debt \$1.9 billion</li> <li>■ Sr. Notes 0.6 billion</li> <li>■ Cap. Leases 0.1 billion</li> </ul>	<ul style="list-style-type: none"> <li>■ 40% Variable</li> <li>■ 60% Fixed</li> <li>■ Average ~ 8%</li> </ul>	<ul style="list-style-type: none"> <li>■ Nov. 2011 \$0.7 billion</li> <li>■ Nov. 2012 0.3 billion</li> <li>■ 2013 - 2014 1.6 billion</li> </ul>						
<b>Current ratings</b>		<table border="0"> <tr> <td style="text-align: center;"><u>S&amp;P</u></td> <td style="text-align: center;"><u>Moody's</u></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>■ 2<sup>nd</sup> Lien Libor +350 at B-</li> <li>■ Senior Notes 9.5% at B-</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>■ 2<sup>nd</sup> Lien Libor +350 at B3</li> <li>■ Senior Notes 9.5% at Caa1</li> </ul> </td> </tr> </table>	<u>S&amp;P</u>	<u>Moody's</u>	<ul style="list-style-type: none"> <li>■ 2<sup>nd</sup> Lien Libor +350 at B-</li> <li>■ Senior Notes 9.5% at B-</li> </ul>	<ul style="list-style-type: none"> <li>■ 2<sup>nd</sup> Lien Libor +350 at B3</li> <li>■ Senior Notes 9.5% at Caa1</li> </ul>		
<u>S&amp;P</u>	<u>Moody's</u>							
<ul style="list-style-type: none"> <li>■ 2<sup>nd</sup> Lien Libor +350 at B-</li> <li>■ Senior Notes 9.5% at B-</li> </ul>	<ul style="list-style-type: none"> <li>■ 2<sup>nd</sup> Lien Libor +350 at B3</li> <li>■ Senior Notes 9.5% at Caa1</li> </ul>							
<b>Leverage (debt/EBITDA)</b>		<ul style="list-style-type: none"> <li>■ Cannot exceed 4.75 in FY08, 4.50 in FY09, 4.25 in FY10, upon occurrence of a liquidity event</li> <li>■ Currently ~ 3.3</li> </ul>						
<b>Fixed charge coverage</b>		<ul style="list-style-type: none"> <li>■ Must exceed 1.0 upon occurrence of a liquidity event</li> </ul>						
<b>Available RCF commitment</b>		<ul style="list-style-type: none"> <li>■ Must exceed \$250 million</li> <li>■ Currently ~ \$584 million</li> </ul>						
<b>Basket of allowed investment</b>		<ul style="list-style-type: none"> <li>■ Share repurchase + dividends + acquisitions</li> <li>■ Generally a cumulative limit of \$150 million through 2013</li> </ul>						

\*The covenants described are not all inclusive and certain exceptions exist in the debt agreements

# Debt profile

## Composition

in \$ Millions (unaudited) As of September 30, 2008	Ending Balance	Interest Type <sup>(a)</sup>	Maturity Date
<b>Debt</b>			
Senior ABL revolving credit facility - swaps <sup>(b)</sup>	\$250	Fixed	
Senior ABL revolving credit facility - variable	\$484	Variable	
Senior ABL revolving credit facility - total	\$734	Variable	November 30, 2011
Senior ABL term loan <sup>(c)</sup>	\$245	Variable	November 30, 2012
Senior term facility - swaps <sup>(d)</sup>	\$500	Fixed	
Senior term facility - swaps <sup>(e)</sup>	\$200	Fixed	
Senior term facility - variable	\$199	Variable	
Senior term facility - total	\$899		November 30, 2013
Capitalized lease obligations	\$132	Variable	Various
<b>Total secured debt</b>	<b>\$2,010</b>		
Senior notes	\$620	Fixed	December 1, 2014
<b>Total debt</b>	<b>\$2,630</b>		
Available borrowings under revolving facility	\$584		

	Ending Balance	As a % of Total Debt
Variable debt	\$1,060	40%
Fixed debt	\$1,570	60%
<b>Total debt</b>	<b>\$2,630</b>	<b>100%</b>

<sup>(a)</sup> Amortization of deferred financing costs included in interest expense in year to date 2008 was \$7.3 million.

<sup>(b)</sup> Sw ap expires on 4/6/2010

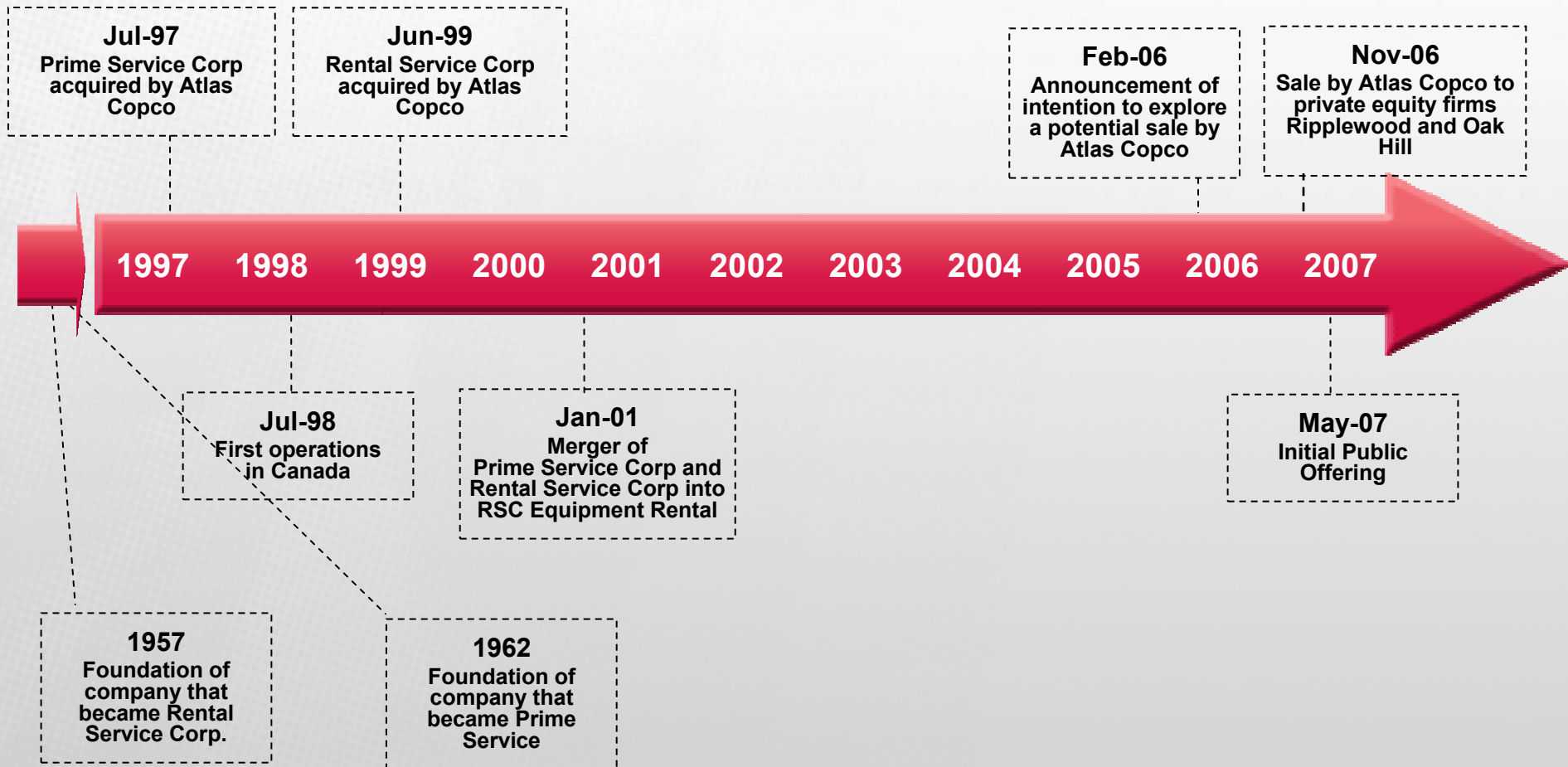
<sup>(c)</sup> Mandatory debt principal repayment of \$2.5 million is required annually.

<sup>(d)</sup> Sw ap expires on 10/5/2012

<sup>(e)</sup> Sw ap expires on 10/5/2010

# RSC Timeline

## History of RSC



# Company highlights

## Strong industry growth prospects

- \$38 billion market with multiple growth drivers
- Increased rental penetration will enhance growth

## National footprint and significant scale

- 470 rental locations in 40 U.S. states and 3 Canadian provinces, as of 9/30/08
- Fragmented industry provides excellent base for market share growth and acquisitions

## Focused business strategy

- Focused on higher margin equipment rental, not ancillary activities
- Decentralized organization with superior customer service drives same store growth

## High quality rental fleet

- Young fleet with an average age of 31 months
- Rigorous preventive maintenance and repair program maximizes reliability

## Strong customer base

- Diversified base of ~460,000 active customers serving multiple end-markets
- Numerous strategic accounts and substantial recurring revenue from existing customers

## Superior financial performance

- Rental revenue and Adjusted EBITDA CAGR of 14.5% and 24.0%, respectively, for the years 2003 through 2007
- LTM Adjusted EBITDA margin of 45.0% and 20% return on operating capital employed (ROCE)

## Experienced management team

- Senior management – responsible for strategy and market-leading performance – with significant ownership stake
- Eleven experienced Regional VPs

# Investment thesis

Best-in-industry metrics, systems, performance and customer satisfaction

Well-positioned to outperform the industry through the economic downturn

- One of the youngest fleets in the industry at 31 months
- Loyal, diversified customer base
- >35% Industrial revenue content
- Scaling back capex to generate cash flow

Strong financial performance and value creation

- Premium pricing and market-leading revenue growth
- EBITDA margins 45% LTM
- Cost of debt ~8%; ROCE 20%
- Year-to-date 9/08 unlevered free cash flow before growth capex up 180% in a challenging environment

Attractive valuation

Experienced management team

**Overall best in industry performance and customer satisfaction**

# Appendix

# LTM Calculations

## Income Statement and Adjusted EBITDA

\$ in millions (unaudited)

	Three Months Ended				Twelve Months Ended
	Dec-07	Mar-08	Jun-08	Sep-08	2008
<b>Revenues:</b>					
Equipment rental revenue	\$ 399	\$ 372	\$ 405	\$ 419	\$ 1,595
Sale of merchandise	20	18	19	19	76
Sale of used rental equipment	39	31	25	29	125
Total revenues	<u>458</u>	<u>422</u>	<u>449</u>	<u>467</u>	<u>1,796</u>
<b>Cost of revenues:</b>					
Cost of equipment rentals, excluding depreciation	163	167	173	183	685
Depreciation – rental equipment	79	78	79	82	318
Cost of sales of merchandise	12	11	11	13	47
Cost of rental equipment sales	28	22	17	20	88
Total cost of revenues	<u>282</u>	<u>279</u>	<u>280</u>	<u>298</u>	<u>1,139</u>
Gross profit	<u>177</u>	<u>143</u>	<u>169</u>	<u>169</u>	<u>657</u>
<b>Operating expenses:</b>					
Selling, general, and administrative	44	40	42	46	172
Depreciation and amortization – nonrental equipment	12	12	12	13	49
Total operating expenses	<u>56</u>	<u>52</u>	<u>54</u>	<u>59</u>	<u>221</u>
Operating income	<u>120</u>	<u>91</u>	<u>114</u>	<u>110</u>	<u>436</u>
Interest expense, net	58	55	49	48	211
Other expense (income), net	(1)	(1)	(0)	0	(1)
Income before provision for income taxes	<u>63</u>	<u>37</u>	<u>66</u>	<u>62</u>	<u>227</u>
Provision for income taxes	<u>25</u>	<u>14</u>	<u>26</u>	<u>19</u>	<u>84</u>
Net income	<u>\$ 38</u>	<u>\$ 22</u>	<u>\$ 40</u>	<u>\$ 42</u>	<u>\$ 143</u>
Net income	\$ 38	\$ 22	\$ 40	\$ 42	\$ 143
Depreciation of rental equipment and depreciation and amortization of non-rental equipment	91	90	92	94	367
Interest expense, net	58	55	49	48	211
Provision for income taxes	25	14	26	19	84
EBITDA	<u>212</u>	<u>182</u>	<u>206</u>	<u>204</u>	<u>805</u>
<b>Adjustments:</b>					
Share-based compensation	1	1	1	1	4
Other income, net	(1)	(1)	(0)	0	(1)
Adjusted EBITDA	<u>\$ 213</u>	<u>\$ 183</u>	<u>\$ 207</u>	<u>\$ 206</u>	<u>\$ 808</u>
<i>(Adjusted EBITDA as a percentage of total revenues)</i>	<u>46.4%</u>	<u>43.3%</u>	<u>46.1%</u>	<u>44.1%</u>	<u>45.0%</u>

# Free Cash Flow

## Definitions & non-GAAP reconciliation

### Terms

Net operating profit after tax <sup>(a)</sup>

Purchase of replacement rental equipment <sup>(b)</sup>

Purchase of growth rental equipment <sup>(c)</sup>

Leverage and other related activities <sup>(d)</sup>

### Definitions

- (a) Operating Income less imputed tax rate of 39%.
- (b) Rental capital expenditures required to replace the original equipment cost of rental assets that were sold during the period.
- (c) The portion of rental capital expenditures associated with the expansion of our rental fleet
- (d) Interest expense, net; other income, net; amortization of deferred financing costs; deferred income taxes; and the difference between the imputed tax and the provision.

### Reconciliation

\$ in millions (unaudited)	2003	2004	2005	2006	2007	LTM Sep-08
<b>Net cash provided by operating activities</b>	341	436	559	436	505	305
Depreciation and amortization	(220)	(225)	(246)	(292)	(341)	(367)
Gain on sales of rental and non-rental PPE, net of non-cash writeoffs	27	37	45	44	43	35
Share-based compensation expense and other non-cash items			(3)	(7)	(4)	(4)
Changes in operating assets and liabilities	(84)	(77)	(119)	55	(30)	222
Leverage and other related activities	14	(35)	(40)	21	105	77
<b>Net operating profit after tax</b>	<b>78</b>	<b>136</b>	<b>196</b>	<b>257</b>	<b>277</b>	<b>266</b>

# 2007 Adjusted Net Income

\$ in millions (unaudited)

	Nine Months Ended September 30, 2007	Twelve Months Ended December 31, 2007
Operating income	\$335	\$455
Monitoring agreement termination fees (a)	20	20
Adjusted operating income	<u>\$355</u>	<u>\$475</u>
<i>(adjusted operating income as a percentage of total revenues)</i>	<i>27.0%</i>	<i>26.8%</i>
Net income	\$85	\$123
Monitoring agreement termination fees (a)	20	20
Debt repayment costs (b)	10	10
Tax impact of adjustments	(11)	(11)
Adjusted net income	<u>\$103</u>	<u>\$141</u>
Weighted average shares outstanding used in computing net income per common share:		
Basic	<u>96,600</u>	<u>98,237</u>
Diluted	<u>98,100</u>	<u>99,632</u>
Adjusted net income per common share:		
Basic	<u>\$1.07</u>	<u>\$1.44</u>
Diluted	<u>\$1.05</u>	<u>\$1.42</u>

(a) Represents \$20.0 million termination fee paid to Sponsors as a result of terminating our monitoring agreement on the May 29, 2007 closing of our initial public offering.

(b) Represents a \$4.6 million prepayment penalty related to the \$230.7 million repayment of Senior Term Facility debt and the write-off of \$5.0 million of deferred financing costs associated with the repayment.



***We deliver more than equipment. We deliver...***

- *the right equipment, at the right place, at the right time*
- *quality equipment that is dependable and well maintained*
- *a safety focused, reliable and dedicated team*
- *greater productivity and profits*

***...a better way of doing business.***