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

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 3, 2007

McGRATH RENTCORP
(Exact name of registrant as specified in its Charter)

California
(State or other jurisdiction of incorporation)

0-13292	94-2579843
(Commission File Number)	(I.R.S. Employee Identification No.)

5700 Las Positas Road, Livermore, CA 94551-7800
(Address of principal executive offices)

(925) 606-9200
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

|_| Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

|_| Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

|_| Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

|_| Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 3, 2007, McGrath RentCorp (the "Company") announced via press release the Company's results for its first quarter ended March 31, 2007. A copy of the Company's press release is attached hereto as Exhibit 99.1. This Form 8-K and the attached exhibit are provided under Items 2.02 and 9.01 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission, and shall not be incorporated by reference in any filing under the Securities Act of 1934 or the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of McGrath RentCorp, dated May 3, 2007.

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 hereunto duly authorized.

McGRATH RENTCORP

Dated: May 3, 2007

By: /s/ Keith E. Pratt

Keith E. Pratt
Vice President and Chief Financial Officer

Exhibit 99.1

McGrath RentCorp Announces Results for First Quarter 2007

EPS Increases 19% to $0.37 for the Quarter

Rental Revenues Increase 9%

LIVERMORE, Calif.--(BUSINESS WIRE)--May 3, 2007--McGrath RentCorp (NASDAQ:MGRC) today announced revenues for the quarter ended March 31, 2007, of $60.8 million, an increase of 5%, compared to $57.9 million in the first quarter 2006. The Company reported net income for the first quarter 2007 of $9.3 million, or $0.37 per diluted share, compared to net income of $7.8 million, or $0.31 per diluted share, in the first quarter 2006.

For the first quarter of 2007, the Company's Mobile Modular division reported an 11% increase in rental revenues to $23.8 million compared with $21.4 million in the first quarter 2006, with gross profit on rental revenues increasing 18% to $15.7 million from $13.4 million in the first quarter 2006. Sales revenues decreased $0.6 million from $4.8 million in the first quarter 2006 to $4.2 million, with comparable gross profit on sales of $1.3 million in the first quarter 2007 and 2006. Total gross profit increased 14% from $17.1 million in the first quarter 2006 to $19.5 million in the first quarter 2007. Selling and administrative expenses increased $0.1 million to $6.5 million in the first quarter 2007. Allocated interest expense increased $0.1 million primarily due to higher average interest rates experienced by the Company. As a result, Mobile Modular's pre-tax income increased 23% from $9.1 million to $11.2 million in the first quarter 2007.

For the first quarter of 2007, the Company's TRS-RenTelco division reported a 7% increase in rental revenues to $19.5 million from $18.3 million in the first quarter of 2006, with gross profit on rental revenues increasing 7% to $7.9 million from $7.4 million in the first quarter 2006. Sales revenues decreased 9% from $4.5 million to $4.1 million in the first quarter 2007, with gross profit on sales decreasing $0.2 million to $1.5 million from $1.7 million in the first quarter 2006. Selling and administrative expenses were $4.7 million in the first quarter 2007 and 2006. Allocated interest expense increased $0.2 million primarily due to higher average interest rates experienced by the Company. As a result, TRS-RenTelco's pre-tax income increased 7% from $4.0 million to $4.3 million in the first quarter 2007.

Dennis Kakures, President and CEO of McGrath RentCorp, made the following comments regarding these results and future expectations:

"Our first quarter results reflect the continuing growth of our modulars and electronics rental businesses. Our long-term success has been and will continue to be driven by rental revenue growth and higher gross profit and margin on rents.

"Mobile Modular's 11% increase in rental revenues over the first quarter of last year is primarily related to classroom and commercial building shipments in the second through fourth quarters of 2006. We should experience a full 12 months of rental revenues in 2007 on a large number of these orders. Gross profit on rents increasing 18% compared to a year ago was driven by the higher rental revenue level and lower direct expenses within the quarter to maintain and repair rental equipment.

"Classroom rental opportunities and booking levels have been very favorable thus far in 2007. In California, we are benefiting from strong demand to modernize California's aging public school infrastructure and the passage of the November 2006 statewide facilities bond measure to fund these projects. In Florida, the popularity of our hybrid classroom product, class size reduction and the phasing out of older model code portable classrooms continue to support strong rental revenue growth. Keep in mind that the great majority of these classroom rental orders will not ship and begin billing until the third quarter of 2007. Although first quarter ending utilization stood at 81.5%, slightly above year-end 2006 levels, we would expect marked improvement by the end of the third quarter due to these school shipments. For the first quarter of 2007, our commercial rental booking activity in the California and Texas markets was generally strong, with some weakness in the residential developer sector. In Florida, we are pleased with the volume of commercial opportunities we are experiencing and are gaining more traction in booking orders as we become more experienced in the market.

"TRS-RenTelco's 7% increase in rental revenues reflects higher booking levels compared to the first quarter of 2006. We benefited from favorable market conditions across a fairly broad base of market segments, including communications network and aerospace and defense applications. However, we also experienced a more competitive environment that contributed to lower average rental rates. Depreciation as a percentage of rents for the first quarter was 46.7% compared to 44.4% in Q4 2006. We would expect this key metric to improve in 2007 as we increase utilization of the latest technology equipment that we've acquired over the past 12 months and continue to sell older model inventory.

"In the first quarter our earnings benefited from selling and administrative expenses that were comparable to the prior year. These expenses were lower than anticipated for the quarter chiefly due to the timing of filling various management positions, and to a lesser degree lower general administrative costs and bad debt expense. However, we expect our overhead expenses for the year to increase in the quarters ahead as we continue to invest in our planned modular geographic expansion, investigation and incubation of other strategic growth initiatives, creating greater management bench strength and IT infrastructure and ERP application platform upgrades."

FIRST QUARTER 2007 HIGHLIGHTS (AS COMPARED TO FIRST QUARTER 2006)

-- Rental revenues increased 9% to $43.3 million. Within rental revenues, Mobile Modular increased 11% from $21.4 million to $23.8 million; TRS-RenTelco increased 7% from $18.3 million to $19.5 million.

-- Sales revenues decreased 11% to $9.3 million, resulting from lower sales volume in Mobile Modular, TRS-RenTelco and Enviroplex. The lower sales volume with a comparable gross margin percentage of 30.2% in 2007 and 2006, resulted in a gross profit decrease of $0.4 million. Sales revenues and related gross margins can fluctuate from quarter to quarter depending on customer requirements, equipment availability and funding.

-- Depreciation of rental equipment increased 11% to $12.0 million, with Mobile Modular increasing 16% to $2.9 million from $2.5 million in 2006, and TRS-RenTelco increasing 9% to $9.1 million from $8.3 million in 2006.

-- Debt increased $8.7 million during the quarter to $174.2 million, with the Company's total liabilities to equity ratio decreasing from 1.54 to 1 at December 31, 2006 to 1.51 to 1 as of March 31, 2007. As of March 31, 2007, the Company, under its lines of credit, had capacity to borrow an additional $80.8 million.

-- Dividend rate increased 13% to $0.18 per share for the first quarter 2007, as compared to $0.16 per share for the first quarter of 2006. On an annualized basis, this dividend represents a 2.3% yield on the May 2, 2007 close price of $31.40.

-- Cash flows from operating activities decreased $7.3 million during the quarter to $16.4 million, primarily attributable to the reduction in accounts receivable in 2006 that did not recur in 2007 partly offset by improved operating results and other balance sheet changes.

-- EBITDA increased 14% to $31.3 million for the first quarter of 2007 compared to $27.4 million for the first quarter of 2006. EBITDA is defined as net income before minority interest in income of subsidiary, interest expense, provision for income taxes, depreciation, amortization and other non-cash stock compensation. A reconciliation of net income to EBITDA can be found at the end of this release.

You should read this press release in conjunction with the financial statements and notes thereto included in the Company's latest Form 10-K and Forms 10-Q. You can visit the Company's web site at www.mgrc.com to access information on McGrath RentCorp, including the latest filings on Form 10-K and Form 10-Q.

FINANCIAL GUIDANCE

The Company reconfirms its 2007 full-year earnings per share to be in a range of $1.65 to $1.73 per diluted share. Such a forward-looking statement reflects McGrath RentCorp's expectations as of May 3, 2007. Actual 2007 full-year earnings per share results may be materially different and affected by many factors, including those factors outlined in the "forward-looking statements" paragraph at the end of this press release.

About McGrath RentCorp

Founded in 1979, the Company, under the trade name Mobile Modular Management Corporation, rents and sells modular buildings to fulfill customers' temporary and permanent space needs in California, Texas and Florida. Mobile Modular believes it is the largest provider of relocatable classrooms for rental to school districts for grades K - 12 in California. The Company's TRS-RenTelco division rents and sells electronic test equipment and is one of the leading providers of general purpose and communications test equipment in North America.

CONFERENCE CALL NOTE: As previously announced in its press release of April 12, 2007, McGrath RentCorp will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on May 3, 2007 to discuss the first quarter 2007 results. To participate in the teleconference, dial 1-800-219-6110 (in the U.S.), or 1-303-262-2200 (outside the US), or visit the investor relations section of the Company's website at www.mgrc.com. Telephone replay of the call will be available for 48 hours following the call by dialing 1-800-405-2236 (in the U.S.), or 1-303-590-3000 (outside the U.S.). The pass code for the call replay is 11087722.

This press release 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. 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 10-K, 10-Q and other SEC filings, including, the effectiveness of management's strategies and decisions, general economic, stock market and business conditions, including in the states and countries where we sell or rent our products; continuing demand for our products; hiring, retention and motivation of key personnel; failure by third parties to manufacture our products in a timely manner and to our specifications; our ability to successfully implement information system upgrades; our ability to finance expansion and to locate and consummate acquisitions; fluctuations in interest rates and the Company's ability to manage credit risk; our ability to effectively manage our rental assets; the risk that we may be subject to litigation and claims from employees, vendors and other third parties; fluctuations in the Company's effective tax rate; changes in financial accounting standards; our failure to comply with internal control requirements; catastrophic loss to our facilities; state funding for education; new or modified statutory or regulatory requirements; success of the Company's strategic growth initiatives; risks associated with doing business with government entities; seasonality of our educational and electronics business; intense industry competition; our ability to timely deliver, install and redeploy our modular products; significant increases in raw materials, labor, and other costs; and risks associated with operating internationally. There may be other factors not listed above that could cause actual results to vary materially from the forward-looking statements described in this press release. The Company assumes no obligation to update any forward-looking statements contained in this press release as a result of new information, future events, or developments.

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

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Three Months

(in thousands, except per share amounts)	Ended March 31, 2007	2006
REVENUES		
Rental	$43,308	$39,671
Rental Related Services	7,422	7,067
Rental Operations	50,730	46,738
Sales	9,343	10,498
Other	680	620
Total Revenues	60,753	57,856
COSTS AND EXPENSES		
Direct Costs of Rental Operations:		
Depreciation of Rental Equipment	12,019	10,858
Rental Related Services	5,093	4,960
Other	7,598	8,006
Total Direct Costs of Rental Operations	24,710	23,824
Costs of Sales	6,526	7,329
Total Costs	31,236	31,153
Gross Profit	29,517	26,703
Selling and Administrative	11,648	11,554
Income from Operations	17,869	15,149
Interest	2,621	2,353
Income Before Provision for Income Taxes	15,248	12,796
Provision for Income Taxes	5,947	4,991
Income Before Minority Interest	9,301	7,805
Minority Interest in Loss of Subsidiary	(27)	(32)
Net Income	$ 9,328	$ 7,837
Earnings Per Share:		
Basic	$ 0.37	$ 0.32
Diluted	$ 0.37	$ 0.31
Shares Used in Per Share Calculation:		
Basic	25,114	24,866
Diluted	25,387	25,604
Cash Dividends Declared Per Share	$ 0.18	$ 0.16

MCGRATH RENTCORP
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in thousands)	March 31, 2007	December 31, 2006
ASSETS		
Cash	$ 365	$ 349
Accounts Receivable, net of allowance for doubtful accounts of $1,000 in 2007 and 2006	60,234	59,834
Rental Equipment, at cost:		
Relocatable Modular Buildings	459,184	451,828
Electronic Test Equipment	199,699	186,673
	658,883	638,501
Less Accumulated Depreciation	(195,973)	(187,159)
Rental Equipment, net	462,910	451,342
Property, Plant and Equipment, net	58,393	58,146
Prepaid Expenses and Other Assets	15,537	15,871

Total Assets	$ 597,439	$ 585,542

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:		
Notes Payable	$ 174,217	$ 165,557
Accounts Payable and Accrued Liabilities	50,663	55,509
Deferred Income	21,559	25,852
Minority Interest in Subsidiary	3,452	3,479
Deferred Income Taxes, net	109,235	104,353
Total Liabilities	359,126	354,750
Shareholders' Equity:		
Common Stock, no par value - Authorized -- 40,000 shares Issued and Outstanding -- 25,186 shares in 2007 and 25,090 shares in 2006	36,690	33,963
Retained Earnings	201,623	196,829
Total Shareholders' Equity	238,313	230,792
Total Liabilities and Shareholders' Equity	$ 597,439	$ 585,542

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31,	
(in thousands)	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 9,328	$ 7,837
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	12,588	11,384
Provision for Doubtful Accounts	20	70
Non-Cash Stock Compensation	850	830
Gain on Sale of Rental Equipment	(2,057)	(2,489)
Change In:		
Accounts Receivable	(420)	12,548
Prepaid Expenses and Other Assets	334	743
Accounts Payable and Accrued Liabilities	(4,809)	(1,293)
Deferred Income	(4,293)	(6,950)
Deferred Income Taxes	4,882	1,059
Net Cash Provided by Operating Activities	16,423	23,739
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Rental Equipment	(27,295)	(39,855)
Purchase of Property, Plant and Equipment	(815)	(560)
Proceeds from Sale of Rental Equipment	5,181	5,497
Net Cash Used in Investing Activities	(22,929)	(34,918)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Borrowings Under Bank Lines of Credit	8,660	13,268
Proceeds from the Exercise of Stock Options	1,407	1,256
Excess Tax Benefit from Exercise and Disqualifying Disposition of Stock Options	471	582
Payment of Dividends	(4,016)	(3,480)
Net Cash Provided by Financing Activities	6,522	11,626
Net Increase in Cash	16	447

Cash Balance, beginning of period	349	276
Cash Balance, end of period	$ 365	$ 723
Interest Paid, during the period	$ 1,904	$ 1,502
Income Taxes Paid, during the period	$ 594	$ 3,349
Dividends Declared, not yet paid	$ 4,533	$ 3,992
Rental Equipment Acquisitions, not yet paid	$ 8,847	$ 7,758

Mobile Modular - Q1 2007 compared to Q1 2006 (Unaudited)

(dollar amounts in thousands)	Three Months Ended March 31,		Increase (Decrease)	
	2007	2006	$	%
Revenues				
Rental	$ 23,836	$ 21,408	$ 2,428	11%
Rental Related Services	7,049	6,766	283	4%
Rental Operations	30,885	28,174	2,711	10%
Sales	4,166	4,763	(597)	-13%
Other	162	183	(21)	-11%
Total Revenues	$ 35,213	$ 33,120	$ 2,093	6%
Gross Profit				
Rental	$ 15,742	$ 13,376	$ 2,366	18%
Rental Related Services	2,320	2,238	82	4%
Rental Operations	18,062	15,614	2,448	16%
Sales	1,307	1,342	(35)	-3%
Other	162	183	(21)	-11%
Total Gross Profit	$ 19,531	$ 17,139	$ 2,392	14%
Pre-tax Income	$ 11,182	$ 9,063	$ 2,119	23%
Other Information				
Depreciation of Rental Equipment	$ 2,929	$ 2,520	$ 409	16%
Interest Expense Allocation	$ 1,893	$ 1,746	$ 147	8%
Average Rental Equipment (1)	$412,202	$ 368,563	$ 43,639	12%
Average Rental Equipment on Rent (1)	$335,017	$ 305,225	$ 29,792	10%
Average Monthly Total Yield (2)	1.93%	1.94%		0%
Average Utilization (3)	81.3%	82.8%		-2%
Average Monthly Rental Rate (4)	2.37%	2.34%		1%
Period End Rental Equipment (1)	$413,227	$ 369,530	$ 43,697	12%
Period End Utilization (3)	81.5%	82.1%		-1%
Period End Floors (1)	24,910	23,269	1,641	7%

1 Average and Period End Rental Equipment represents the cost of rental equipment excluding new equipment inventory and accessory equipment. Period End Floors excludes new equipment inventory.

2 Average Monthly Total Yield is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment, for the period.

3 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.

4 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.

TRS-RenTelco Segment - Q1 2007 compared to Q1 2006 (Unaudited)

(dollar amounts in thousands)	Three Months Ended March 31, 2007	2006	Increase (Decrease) $	%
Revenues				
Rental	$ 19,472	$ 18,263	$ 1,209	7%
Rental Related Services	373	301	72	24%
Rental Operations	19,845	18,564	1,281	7%
Sales	4,091	4,479	(388)	-9%
Other	518	437	81	19%
Total Revenues	$ 24,454	$ 23,480	$ 974	4%
Gross Profit				
Rental	$ 7,949	$ 7,431	$ 518	7%
Rental Related Services	9	(131)	140	107%
Rental Operations	7,958	7,300	658	9%
Sales	1,451	1,714	(263)	-15%
Other	518	437	81	19%
Total Gross Profit	$ 9,927	$ 9,451	$ 476	5%
Pre-tax Income	$ 4,288	$ 3,992	$ 296	7%
Other Information				
Depreciation of Rental Equipment	$ 9,090	$ 8,338	$ 752	9%
Interest Expense Allocation	$ 878	$ 718	$ 160	22%
Average Rental Equipment (1)	$191,574	$156,687	$34,887	22%
Average Rental Equipment on Rent (1)	$127,567	$108,833	$18,734	17%
Average Monthly Total Yield (2)	3.39%	3.89%		-13%
Average Utilization (3)	66.6%	69.5%		-4%
Average Monthly Rental Rate (4)	5.09%	5.59%		-9%
Period End Rental Equipment (1)	$197,980	$159,460	$38,520	24%
Period End Utilization (3)	66.9%	70.6%		-5%

1 Average and Period End Rental Equipment represents the cost of rental equipment excluding accessory equipment.
2 Average Monthly Total Yield is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment, for the period.
3 Period End Utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding accessory equipment. Average Utilization for the period is calculated using the average costs of the rental equipment.
4 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.

Reconciliation of Net Income to EBITDA

The Company presents EBITDA as a financial measure as management believes it provides useful information regarding the Company's liquidity and financial condition and because management, as well as the Company's lenders, use this measure in evaluating the performance of the business. EBITDA is defined by the Company as net income before minority interest in income of subsidiary, interest expense, provision for income taxes, depreciation, amortization, and non-cash stock compensation. In addition, several of the loan covenants and the determination of the interest rate related to the Company's revolving line of credit are expressed by reference to this financial measure, similarly calculated. EBITDA should not be considered in isolation or as a substitute for net income, cash flows, or other consolidated income or cash flow data prepared in accordance with generally accepted accounting principles in the United States or as a measure of the Company's profitability or liquidity. The Company's EBITDA may not be comparable to similarly titled measures presented by other companies. Since EBITDA is a non-GAAP financial measure as defined by the Securities and Exchange Commission, the following table reconciles EBITDA to the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States for the three and twelve months ended March 31, 2007 and 2006.

(dollar amounts in thousands)	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2007	2006	2007	2006
Net Income	$ 9,328	$ 7,837	$ 42,569	$ 41,479
Minority Interest in Income (Loss) of Subsidiary	(27)	(32)	285	145
Provision for Income Taxes	5,947	4,991	25,166	25,188
Interest	2,621	2,353	11,028	8,524
Income from Operations	17,869	15,149	79,048	75,336
Depreciation and Amortization	12,588	11,384	48,665	45,677
Non-Cash Stock Compensation	850	830	3,145	874
EBITDA (1)	$31,307	$27,363	$130,858	$121,887
EBITDA Margin (2)	52%	47%	49%	44%

1. EBITDA is defined as net income before minority interest in income of subsidiary, interest expense, provision for income taxes, depreciation, amortization, and other non-cash stock compensation.
2. EBITDA Margin is calculated as EBITDA divided by total revenues for the period.

CONTACT: McGrath RentCorp
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Chief Financial Officer