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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): November 4, 2004

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))
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Item 2.02 Results of Operations and Financial Condition.

On November 4, 2004, McGrath RentCorp (the "Company") announced via press release the Company's results for its third quarter ended September 30, 2004. 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.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.	Description
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

McGRATH RENTCORP

Dated: November 4, 2004

By: /s/ Thomas J. Sauer

Thomas J. Sauer
Vice President and Chief
Financial Officer

McGrath RentCorp Announces Third Quarter Results; Rental Revenues Increase 89% to \$37.1 Million; Q3 2004 EPS Increases 52% to \$0.76

LIVERMORE, Calif.--(BUSINESS WIRE)--Nov. 4, 2004--McGrath RentCorp (Nasdaq:MGRC), a leading rental provider of modular buildings for classroom and office space, and test equipment for general purpose and communications needs, today announced revenues for the quarter ended September 30, 2004, of \$72.5 million, compared to \$34.9 million in the third quarter of 2003. The Company reported net income of \$9.4 million, or \$0.76 per share, compared to \$6.1 million, or \$0.50 per share in the third of quarter 2003. Most of the increase in revenues and income are attributable to the acquired Technology Rentals & Services ("TRS") assets and operations, which significantly contributed to an 89% increase in rental revenues. McGrath purchased substantially all the general purpose and communications test equipment assets of Dallas-based TRS, a division of CIT Group Inc. (NYSE:CIT) on June 2, 2004. Results for the third quarter and for the first nine months of 2004 include TRS' results since that date.

In the third quarter of 2004 for Mobile Modular, record rental revenues of \$18.4 million and a \$9.3 million sale to a California school district contributed to total modular revenues increasing 51% to \$39.6 million, as compared to third quarter 2003. The Company views the sales volume of this single \$9.3 million sale project as unique and does not expect sales projects of this magnitude to occur on a regular basis. The significant rise in Mobile Modular's revenues led to a 25% increase in its pre-tax income to \$10.5 million. Enviroplex sales during the quarter increased to \$6.2 million from \$3.0 million during the same period in 2003, with quarter-end backlog of \$4.6 million, compared to \$7.1 million in the year-ago quarter. At TRS-RenTelco, the Company's electronic test equipment rental division, rental revenues increased to \$18.7 million from \$3.4 million in the third quarter of 2003, primarily due to TRS' contribution, resulting in the division's pre-tax income of \$4.5 million, compared to pre-tax income of \$1.2 million in 2003.

"These results reflect the strength of our California classroom rental business, and in particular, strong classroom booking levels experienced earlier this year for modernization and reconstruction projects, in driving modular rental revenues to a record \$18.4 million for the quarter," stated Dennis Kakures, President & CEO. "This growth reflects our success as the leader in providing interim facilities to school districts throughout California. In addition, we recognized our first rental revenues in Florida, where order activity continues to outpace our pre-launch expectations. Although the impact of these initial rental revenues is minimal, we are very enthusiastic about the opportunity to create a meaningful educational rental business in Florida."

Commenting on the Company's test equipment business, Kakures added, "This quarter's results demonstrate the significance of the TRS acquisition, with the electronics side of our business accounting for just over 50% of rental revenues, compared to 18% a year ago. In just our first full quarter of combined operations, we generated rental billings of \$18.7 million and pre-tax income of \$4.5 million. Keep in mind that our third quarter results only reflect a portion of the overhead cost structure adjustments associated with our integration efforts. We will complete the implementation of our remaining changes by the end of November. Overall, we are very pleased with our integration efforts and results over the past five months. We completed our consolidation of U.S. operations into a single facility at the DFW Airport, evaluated all operating groups and key programs, and are moving to implement plans on how we can most effectively and cost efficiently market to our target customer segments. Finally, the TRS-RenTelco leadership team, comprised of managers from both businesses, is now solidly in place and we couldn't be more pleased with the quality and capability of these individuals to grow the business."

Total revenues for the nine months ended September 30, 2004, were \$143.2 million, compared to \$93.9 million in the same nine-month period in 2003. Net income for the nine months ended September 30, 2004, was \$21.2 million or \$1.72 per share, compared to net income of \$15.7 million, or \$1.28 per share, in the prior-year period.

THIRD QUARTER 2004 HIGHLIGHTS AS COMPARED TO THIRD QUARTER 2003

- Rental revenues increased 89% to \$37.1 million. Within rental revenues, Mobile Modular increased 14% to \$18.4 million, driven by California educational rentals, and RenTelco increased \$15.3 million to \$18.7 million primarily due to TRS's contribution since June 2, 2004.

- Sales revenues increased 163% to \$28.2 million primarily due to a \$9.3 million sale project by Mobile Modular to a California school district, and to a lesser extent higher sales volumes at Enviroplex and TRS-RenTelco. In the third quarter 2004, higher sales volume was somewhat offset by a lower overall sale margin (20.3% compared to 32.1% in 2003) associated with a higher mix of new equipment sold during the third quarter of 2004, resulting in a gross profit increase of \$2.3 million. Sales revenues and margins can fluctuate from quarter to quarter depending on customer requirements and funding.
- Depreciation of rental equipment increased 259% to \$11.6 million, primarily due to the purchase of TRS rental assets valued at \$107.6 million on June 2, 2004.
- Operating cash flow increased 48% to \$20.4 million, primarily due to higher revenues and net income.
- Debt decreased \$5.5 million during the quarter to \$163.0 million with the Company's total liabilities to equity ratio decreasing from 2.08 to 1 as of June 30, 2004, to 2.05 to 1 as of September 30, 2004. At September 30, 2004, the Company, under existing bank lines of credit, had capacity to borrow up to an additional \$32.0 million.
- Dividend rate increased to \$0.22 per share for the third quarter 2004. On an annualized basis, this dividend represents a 2.2% yield on the November 3, 2004, close price of \$39.79.

We suggest that this press release be read 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 expects its 2004 full-year earnings per share guidance to be in a range of \$2.30 to \$2.40 per diluted share. Such a forward-looking statement reflects McGrath RentCorp's expectations as of November 4, 2004. Actual 2004 full-year earnings per share results may be materially affected by many factors, as 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 customer's 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. McGrath RentCorp's majority owned subsidiary, Enviroplex, Inc., manufactures and sells classrooms directly to school districts 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 October 7, 2004, McGrath RentCorp will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on November 4, 2004 to discuss the third quarter 2004 results. To participate in the teleconference, dial 1-800-218-0204 (international callers dial 1-303-275-2170). In addition, a live webcast and replay of the call may be found in 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 11010858.

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 include, our beliefs

that school district modernization and reconstruction projects will continue to drive the growth of our educational rentals in California, our expectation regarding the opportunity for a meaningful educational rental business in Florida, our expectations regarding the timing of the implementation of the integration efforts relating to the TRS acquisition, including the related expense reductions and cost savings, our annualized dividend yield, and our guidance on per share range for 2004 full-year earnings. 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. These factors include the effectiveness of management's strategies and decisions, general economic and business conditions, the condition of the telecommunications industry, new or modified statutory or regulatory requirements, continuing demand for modular products, timely delivery and installation of modular products, delays of future sales projects, changing prices and market conditions. 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.

MCGRATH RENTCORP

Consolidated earnings, balance sheet and segment data follow:
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
REVENUES				
Rental	\$37,113	\$19,592	\$82,696	\$56,252
Rental Related Services	6,901	4,350	17,267	11,554
Rental Operations	44,014	23,942	99,963	67,806
Sales	28,208	10,719	42,489	25,496
Other	318	194	756	598
Total Revenues	72,540	34,855	143,208	93,900
COSTS AND EXPENSES				
Direct Costs of Rental Operations				
Depreciation of Rental Equipment	11,589	3,226	20,725	9,468
Rental Related Services	3,981	2,501	10,246	6,874
Other	7,465	5,323	17,214	14,544
Total Direct Costs of Rental Operations	23,035	11,050	48,185	30,866
Costs of Sales	22,496	7,284	32,729	17,830
Total Costs	45,531	18,334	80,914	48,716
Gross Margin	27,009	16,521	62,294	45,184
Selling and Administrative	9,641	5,623	23,294	16,873
Income from Operations	17,368	10,898	39,000	28,311
Interest	1,576	647	3,524	2,085
Income Before Provision for Income Taxes and Minority Interest in Income of Subsidiary	15,792	10,251	35,476	26,226
Provision for Income Taxes	6,301	4,090	14,155	10,464
Income Before Minority Interest in Income of Subsidiary	9,491	6,161	21,321	15,762
Minority Interest in Income of Subsidiary	111	95	82	89
Net Income	\$9,380	\$6,066	\$21,239	\$15,673
Earnings Per Share:				
Basic	\$0.77	\$0.50	\$1.75	\$1.29

Diluted	\$0.76	\$0.50	\$1.72	\$1.28
Shares Used in Per Share Calculation:				
Basic	12,177	12,080	12,152	12,127
Diluted	12,421	12,242	12,358	12,254

BALANCE SHEET DATA	Sept. 30, 2004	Dec. 31, 2003
Rental Equipment, net	\$355,860	\$232,046
Total Assets	483,735	323,858
Notes Payable	162,999	47,266
Shareholders' Equity	158,727	143,978

SEGMENT DATA (UNAUDITED)	Modulars	Electronics	Enviroplex	Consolidated
Three Months Ended September 30, ----- 2004				
Rental Revenues	\$18,416	\$18,697	\$--	\$37,113
Rental Related Services Revenues	6,264	637	--	6,901
Sales and Other Revenues	14,893	7,464	6,169	28,526
Total Revenues	39,573	26,798	6,169	72,540
Depreciation of Rental Equipment	2,152	9,437	--	11,589
Interest Expense (Income) Allocation	1,094	518	(36)	1,576
Income Before Provision for Income Taxes and Minority Interest in Income of Subsidiary	10,528	4,509	755	15,792
Rental Equipment Acquisitions	10,641	11,854	--	22,495
Accounts Receivable, net (period end)	38,910	20,816	3,013	62,739
Rental Equipment, at cost (period end)	330,818	146,938	--	477,756
Rental Equipment, net (period end)	238,659	117,201	--	355,860
Utilization (period end) (1)	86.3%	65.2%		
Average Utilization (1)	86.3%	65.0%		
2003				
Rental Revenues	\$16,163	\$3,429	\$--	\$19,592
Rental Related Services Revenues	4,199	151	--	4,350
Sales and Other Revenues	5,917	2,009	2,987	10,913
Total Revenues	26,279	5,589	2,987	34,855
Depreciation of Rental Equipment	1,883	1,343	--	3,226
Interest Expense (Income) Allocation	603	80	(36)	647
Income Before Provision for Income Taxes and Minority Interest in Income of Subsidiary	8,395	1,212	644	10,251
Rental Equipment Acquisitions	12,237	1,870	--	14,107
Accounts Receivable, net (period end)	33,286	3,943	5,161	42,390
Rental Equipment, at cost (period				

end)	303,021	36,509	--	339,530
Rental Equipment, net (period end)	214,374	18,069	--	232,443
Utilization (period end) (1)	85.8%	48.6%		
Average Utilization (1)	85.1%	47.1%		

SEGMENT DATA (UNAUDITED)	Modulars	Electronics	Enviroplex	Consolidated

Nine Months Ended September 30, -----				
2004				
Rental Revenues	\$52,314	\$30,382	\$--	\$82,696
Rental Related Services Revenues	16,239	1,028	--	17,267
Sales and Other Revenues	22,381	13,015	7,849	43,245
Total Revenues	90,934	44,425	7,849	143,208
Depreciation of Rental Equipment	6,201	14,524	--	20,725
Interest Expense (Income) Allocation	2,802	834	(112)	3,524
Income Before Provision for Income Taxes and Minority Interest in Income of Subsidiary	28,089	6,831	556	35,476
Rental Equipment Acquisitions Accounts Receivable, net (period end)	33,220	124,599	--	157,819
Rental Equipment, at cost (period end)	38,910	20,816	3,013	62,739
Rental Equipment, net (period end)	330,818	146,938	--	477,756
Utilization (period end) (1)	238,659	117,201	--	355,860
Average Utilization (1)	86.3%	65.2%		
	85.4%	60.6%		
2003				
Rental Revenues	\$47,073	\$9,179	\$--	\$56,252
Rental Related Services Revenues	11,152	402	--	11,554
Sales and Other Revenues	13,253	5,729	7,112	26,094
Total Revenues	71,478	15,310	7,112	93,900
Depreciation of Rental Equipment	5,405	4,063	--	9,468
Interest Expense (Income) Allocation	1,948	272	(135)	2,085
Income Before Provision for Income Taxes and Minority Interest in Income of Subsidiary	23,397	2,233	596	26,226
Rental Equipment Acquisitions Accounts Receivable, net (period end)	23,017	4,053	--	27,070
Rental Equipment, at cost (period end)	33,286	3,943	5,161	42,390
Rental Equipment, net (period end)	303,021	36,509	--	339,530
Utilization (period end) (1)	214,374	18,069	--	232,443
Average Utilization (1)	85.8%	48.6%		
	84.0%	45.2%		

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

CONTACT: McGrath RentCorp
Thomas J. Sauer, 925-606-9200