

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): April 30, 2003

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

California
(State or other jurisdiction of incorporation)

0-13292
(Commission File Number)

94-2579843
(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)

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Item 7. Financial statements and exhibits

(c) Exhibits.

Exhibit No.	Description
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99.1	Press Release of McGrath RentCorp, dated April 30, 2003.

Item 9. REGULATION FD DISCLOSURE (THE FOLLOWING DISCUSSION IS FURNISHED UNDER "ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION").

In accordance with SEC Release No. 33-8216, the following information, required to be furnished under "Item 12. Results of Operations and Financial Condition," is furnished under "Item 9. Regulation FD Disclosure."

On April 30, 2003, McGrath RentCorp (the "Company") announced via press release the Company's preliminary results for its first quarter ended March 31, 2003. 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 Item 12 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

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: April 30, 2003

By: /s/ Thomas J. Sauer

Thomas J. Sauer

Vice President and Chief Financial Officer

McGrath RentCorp Announces First Quarter Results; Q1 2003 EPS of \$0.40

LIVERMORE, Calif.--(BUSINESS WIRE)--April 30, 2003--McGrath RentCorp (Nasdaq:MGRC), a leading rental provider of modular buildings for classroom and office space, and test equipment for communications, fiber optic and general purpose needs, today announced revenues for the quarter ended March 31, 2003 of \$27.5 million, compared to \$31.8 million in first quarter 2002. The Company reported net income of \$4.9 million, or \$0.40 per share, compared to a net loss of \$2.4 million, or \$0.19 per share in first quarter 2002.

First quarter 2002 results included a noncash impairment charge of \$11.9 million by the Company's RenTelco segment which primarily affected the carrying value of its communications rental equipment, reducing net income by \$7.2 million or \$0.56 per share, and nonrecurring expenses related to the terminated merger with Tyco International, reducing net income by \$0.3 million or \$0.02 per share. For comparability, excluding impairment and merger expenses, first quarter net income would have decreased 4% from \$5.1 million in 2002 to \$4.9 million in 2003 with earnings per share increasing 3% from \$0.39 per share in 2002 to \$0.40 per share in 2003 resulting from fewer outstanding shares.

The Company's Mobile Modular division's total revenues declined 8% resulting in an 8% decline of pre-tax income to \$7.8 million, representing 97% of the Company's pre-tax income for the quarter. Sales at Enviroplex, the Company's classroom manufacturer, increased to \$0.8 million with quarter-end backlog 23% higher than a year ago at \$12.2 million. The Company's RenTelco division contributed pre-tax earnings primarily as a result of selling underutilized equipment, despite continuing difficult conditions throughout the telecommunications industry, as rental revenues declined 45% from the first quarter of 2002.

"Our consolidated net income for the quarter, excluding impairment and merger expenses, was comparable to the same period a year ago, and continued strong cash flow enabled us to increase our dividend," stated Dennis Kakures, President and CEO. "Even though the operating trends in our modular business declined during the quarter just ended, we believe that recent strong order activity, stemming from the November 2002 passage of state and local bond measures to fund public school facilities in California, will facilitate a rebound in these trends for the balance of the year. Consequently, we are reconfirming our earlier full-year earnings guidance for 2003 of \$2.12 to \$2.17 per diluted share. Achieving these results assumes, among other factors, continued strong demand for modular classrooms in California, timely delivery and installation of classroom rental product for the new school year, and minimal delays of fourth quarter sale projects into 2004. At RenTelco, we have limited visibility as to when the business will recover. Nevertheless, we continue to believe that having right-sized equipment and overhead expense levels, RenTelco is positioned to increase its earnings as the telecommunications industry recovers."

FIRST QUARTER 2003 HIGHLIGHTS (AS COMPARED TO FIRST QUARTER 2002)

- Rental revenues decreased 13% to \$18.4 million. Within rental revenues, Mobile Modular decreased 4% to \$15.7 million, and RenTelco decreased 45% to \$2.7 million as a result of the severe and prolonged broad-based weakness in the telecommunications industry.
- Sales revenues decreased 14% to \$5.3 million resulting from decreased equipment sales by Mobile Modular and RenTelco. Overall gross margin on sales remained consistent at 30.5% in 2002 and 30.2% in 2003. Sales can fluctuate from quarter to quarter and year to year depending on customer requirements and funding.
- Depreciation of rental equipment decreased 42% to \$3.1 million. Within depreciation expense, Mobile Modular's depreciation expense decreased 1% to \$1.7 million and RenTelco's depreciation expense decreased 62% to \$1.4 million, resulting primarily from the write-down of electronics equipment occurring in the first and second quarters 2002.
- Operating cash flow declined 30% to \$9.5 million, directly attributable to lower revenues. Debt increased \$3.2 million to \$58.7 million as a result of the Company's \$10.2 million stock repurchase, increasing the Company's total liabilities to equity ratio to from 1.25 to 1 at December 31, 2002 to 1.32 to 1 as of March 31, 2003. At March 31, 2003, the Company, under

existing bank lines of credit, has capacity to borrow up to an additional \$90.3 million.

-- Dividend rate increased to \$0.20 per share for the first quarter 2003. On an annualized basis, this dividend represents a 3.3% yield on the April 29, 2003 close price of \$24.25.

It is suggested that the 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.

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 and Texas. 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 RenTelco division rents and sells electronic test equipment and is recognized as the leader in communications and fiber-optic test equipment rentals throughout the U.S.

CONFERENCE CALL NOTE: As previously announced in its press release of April 16, 2003, McGrath RentCorp will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on April 30, 2003 to discuss the first quarter 2003 results. To participate in the teleconference, dial 800/218-9073 (international callers dial 303/262-2076). In addition, a live Web cast 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 800/405-2236 (in the U.S.) or 303/590-3000 (outside the U.S.). The pass code for the call replay is 535508#.

This press release contains statements, which constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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 statements regarding guidance on per share earnings for 2003, the expectation that strong order activity will facilitate a rebound in the operating trends modular business, the expectation of increased earnings contributions from RenTelco, the impact of the passage of the state and local bond measures for public schools in California for 2002 on order activity from California schools, the expectation of recurring rental revenues and cash flows for our modular business, and the annualized dividend yield. 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 into 2004 and 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 March 31	
	2003	2002
REVENUES		
Rental	\$18,441	\$21,292
Rental Related Services	3,547	3,971

Rental Operations	21,988	25,263
Sales	5,277	6,145
Other	196	356
	-----	-----
Total Revenues	27,461	31,764
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COSTS AND EXPENSES		
Direct Costs of Rental Operations		
Depreciation of Rental Equipment	3,115	5,368
Rental Related Services	2,161	2,231
Impairment of Rental Equipment	--	11,887
Other	4,413	4,928
	-----	-----
Total Direct Costs of Rental Operations	9,689	24,414
Costs of Sales	3,684	4,271
	-----	-----
Total Costs	13,373	28,685
	-----	-----
Gross Margin	14,088	3,079
Selling and Administrative	5,340	5,979
	-----	-----
Income (Loss) from Operations	8,748	(2,900)
Interest	690	1,147
	-----	-----
Income (Loss) Before Provision for Income Taxes	8,058	(4,047)
Provision (Benefit) for Income Taxes	3,215	(1,611)
	-----	-----
Income (Loss) Before Minority Interest	4,843	(2,436)
Minority Interest in Income (Loss) of Subsidiary	(46)	(70)
	-----	-----
Net Income (Loss)	\$4,889	\$(2,366)
	=====	=====
Earnings (Loss) Per Share:		
Basic	\$0.40	\$(0.19)
Diluted	\$0.40	\$(0.19)
Cash Dividends Per Share	\$0.20	\$0.16
Shares Used in Per Share Calculation:		
Basic	12,261	12,427
Diluted	12,350	12,674
Shares outstanding period end	12,033	12,464

	March 31, December 31,	
BALANCE SHEET DATA	2003	2002
Rental Equipment, net	\$220,159	\$221,899
Total Assets	304,773	313,134
Notes Payable	58,698	55,523
Shareholders' Equity	131,383	139,019

SEGMENT DATA					
(in thousands)	Modulars	Electronics	Enviroplex	Corporate(1)	Consolidated

Three Months Ended March 31,					
2003					
Rental Revenues	\$15,703	\$2,738	\$--	\$--	\$18,441
Rental Related Services Revenues	3,427	120	--	--	3,547
Sales and Other Revenues	2,582	2,063	828	--	5,473
Total Revenues	21,712	4,921	828	--	27,461
Depreciation of Rental Equipment	1,740	1,375	--	--	3,115
Impairment of Rental Equipment	--	--	--	--	--
Interest Expense (Income) Allocation	652	96	(58)	--	690
Income (Loss) before Provision for Income Taxes	7,840	600	(382)	--	8,058
Rental Equipment Acquisitions	2,897	757	--	--	3,654

Accounts					
Receivable, net					
(period end)	21,535	3,475	2,010	--	27,020
Rental					
Equipment, at					
cost (period					
end)	287,147	37,801	--	--	324,948
Rental					
Equipment, net					
book value					
(period end)	200,766	19,393	--	--	220,159
Utilization					
(period end)					
(2)	82.9%	44.2%			
Average					
Utilization (2)	83.8%	42.8%			

2002					
Rental Revenues	\$16,327	\$4,965	\$--	\$--	\$21,292
Rental Related					
Services					
Revenues	3,817	154	--	--	3,971
Sales and Other					
Revenues	3,442	2,699	360	--	6,501
Total Revenues	23,586	7,818	360	--	31,764
Depreciation of					
Rental					
Equipment	1,755	3,613	--	--	5,368
Impairment of					
Rental					
Equipment	--	11,887	--	--	11,887
Interest Expense					
(Income)					
Allocation	912	293	(58)	--	1,147
Income (Loss)					
before					
Provision for					
Income Taxes	8,850	(11,913)	(565)	(419)	(4,047)
Rental Equipment					
Acquisitions	6,523	504	--	--	7,027
Accounts					
Receivable, net					
(period end)	22,834	7,186	1,949	--	31,969
Rental					
Equipment, at					
cost (period					
end)	284,733	64,754	--	--	349,487
Rental					
Equipment, net					
book value					
(period end)	200,876	40,994	--	--	241,870
Utilization					
(period end)					
(2)	85.8%	37.2%			
Average					
Utilization (2)	85.9%	34.7%			

(1) Corporate includes the impact of nonrecurring merger related items in 2002 of \$419,000, which are not allocated to a specific segment.

(2) 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.

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