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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): August 4, 2005

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)

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 August 4, 2005, McGrath RentCorp (the "Company") announced via press
release the Company's results for its second quarter ended June 30, 2005. 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.

Table with 2 columns: Exhibit No., Description. Row 1: 99.1, Press Release of McGrath RentCorp, dated August 4, 2005.

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: August 4, 2005

By: /s/ Thomas J. Sauer

Thomas J. Sauer
Vice President and Chief Financial
Officer

McGrath RentCorp Announces Second Quarter Results;
Q2 2005 EPS Increases 52% to \$0.38

LIVERMORE, Calif.--(BUSINESS WIRE)--Aug. 4, 2005--McGrath RentCorp (Nasdaq:MGRC) today announced revenues for the quarter ended June 30, 2005, of \$63.9 million, compared to \$40.8 million in second quarter 2004. The Company reported net income of \$9.5 million, or \$0.38 per share, compared to \$6.1 million, or \$0.25 per share in the second quarter 2004. During the second quarter of 2005, rental revenues increased 44% to \$36.8 million, with the Company's TRS-RenTelco division increasing \$8.7 million to \$17.2 million and the Mobile Modular division increasing \$2.5 million to \$19.6 million. McGrath purchased substantially all of the general purpose and communications test equipment assets of Dallas-based TRS, a division of CIT Group Inc. (NYSE:CIT), on June 2, 2004. The Company's results for 2004 and 2005 discussed in this press release include the results of TRS as part of the Company's TRS-RenTelco division since that date.

For the second quarter of 2005, Mobile Modular's rental revenues increased 15% over the second quarter 2004 on continued strength in the educational market, contributing pre-tax income of \$10.5 million, a 15% increase over the prior year's second quarter. For TRS-RenTelco, second quarter 2005 rental revenues increased to \$17.2 million from \$8.5 million, gross profit on sales increased to \$2.2 million from \$0.7 million a year ago, and pre-tax earnings in the second quarter 2005 were \$4.7 million compared to \$1.2 million in the second quarter 2004, when TRS was included in results only from June 2, 2004, through the end of that month. Looking forward, TRS-RenTelco's quarter over quarter comparability will become more meaningful as both the then current and prior year's quarters' results will include the TRS assets and operations for a full three-month period.

"Our 52% increase in second quarter EPS for 2005 over the same period last year primarily reflects the June 2004 TRS acquisition as well as the recurring rental stream from the increase in new classroom orders going on rent in the later half of 2004," stated Dennis Kakures, President & CEO.

"This was our highest second quarter pre-tax income ever for our modular division, with gross profit on rents increasing approximately 12% over second quarter 2004 to \$12.2 million. We continue to benefit from our focus on educational rentals in the geographic markets we serve. In California, we have benefited from the need to modernize schools and the bond measure funding available to do so. Of the \$2.3 billion in the March 2004 school bond measure for modernization projects, approximately half remains (\$1.2 billion) which either has not been apportioned or released to school districts to date. At this time, it appears unlikely that there will be another statewide facilities bond measure in 2006 to further support the modernization and reconstruction of public schools and we anticipate the remaining bond funds will support the apportionment of monies necessary for new projects being applied for through 2006. Additionally, we are in the process of assessing future modernization and reconstruction rental opportunities by seeking a better understanding of the monies apportioned or released to date from past state and local bond measures and the status of related projects.

"As for our Florida operations, the market continues to provide us with very favorable rental classroom growth opportunities. I am very pleased to date with our plan execution in establishing ourselves in the Florida market and in growing our business levels. We anticipate Florida to become an increasingly significant contributor to earnings in the years ahead.

"For our test equipment business, sequential pre-tax income increased by 144% over first quarter 2005 to \$4.7 million and represents our most profitable quarter to date for the newly combined TRS-RenTelco business. Although top-line rental revenues were only modestly higher, lower depreciation expense, primarily due to a determination to extend the useful lives on two models of test equipment, combined with the selling of underutilized equipment and lower test equipment repair and calibration costs resulted in gross margin on rents percentage improvement from 28% to 37%. Finally, our focus on selling underutilized equipment resulted in higher profit on sales."

SECOND QUARTER 2005 HIGHLIGHTS (AS COMPARED TO SECOND QUARTER 2004)

- Rental revenues increased 44% to \$36.8 million. Within rental revenues, Mobile Modular increased 15% to \$19.6 million, and TRS-RenTelco increased 104% to \$17.2 million, due to the timing of the TRS acquisition in June 2004.

- Sales revenues increased 119% to \$20.1 million, resulting primarily from increased sales volume by TRS-RenTelco and Mobile Modular. Higher sales volume combined with a higher gross margin percentage, 26.3% in 2005 compared to 23.0% in 2004, resulted in a gross profit increase of \$3.2 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 83% to \$10.8 million with Mobile Modular increasing 9% to \$2.2 million and TRS-RenTelco increasing 222% to \$8.5 million due to the acquisition of TRS rental assets. On a sequential basis, TRS-RenTelco's depreciation expense decreased \$0.9 million from the first quarter 2005 resulting from the determination to extend the useful lives on two models of test equipment (\$0.6 million), the sale of underutilized equipment (\$0.4 million), and rental equipment becoming fully depreciated (\$0.1 million), offset by new equipment purchases (\$0.2 million).
- Debt increased \$9.3 million during the quarter to \$166.0 million, with the Company's total liabilities to equity ratio increasing from 1.82 to 1 at March 31, 2005 to 1.83 to 1 as of June 30, 2005. On July 11, 2005, the Company amended its existing lines of credit to increase the borrowing capacity from \$135.0 million to \$195.0 million and extended the expiration date one year to June 30, 2008, increasing its capacity to borrow up to an additional \$89.0 million.
- Dividend rate increased 27% to \$0.14 per share for the second quarter 2005, as compared to \$0.11 per share for the second quarter of 2004. On an annualized basis, this dividend represents a 2.2% yield on the August 3, 2005 close price of \$25.86.

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.

FINANCIAL GUIDANCE

The Company reconfirms its 2005 full-year earnings per share to be in a range of \$1.45 to \$1.55 per diluted share. Such a forward-looking statement reflects McGrath RentCorp's expectations as of August 4, 2005. Actual 2005 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 July 12, 2005, McGrath RentCorp will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on August 4, 2005 to discuss the second quarter 2005 results. To participate in the teleconference, dial 1-800-240-2430 (international callers dial 1-303-262-2137). 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 11034471.

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 expectations regarding the continued benefits from our focus on educational rentals in the geographical markets we serve, our anticipation that the remaining California bond funds will support the apportionment of monies necessary for new projects being applied for through 2006, our expectation of the Florida market continuing to provide very favorable rental classroom growth opportunities, our expectation for the growth of our business levels in the Florida market generally and our Florida operations becoming an increasingly significant contributor to earnings in the years ahead, our annualized dividend yield, and our 2005 full-year earnings per share guidance. 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 June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|----------|------------------------------|----------|
| | 2005 | 2004 | 2005 | 2004 |
| REVENUES | | | | |
| Rental | \$36,801 | \$25,560 | \$72,760 | \$45,583 |
| Rental Related Services | 6,235 | 5,822 | 11,510 | 10,366 |
| Rental Operations | 43,036 | 31,382 | 84,270 | 55,949 |
| Sales | 20,135 | 9,198 | 31,107 | 14,281 |
| Other | 694 | 209 | 1,426 | 438 |
| Total Revenues | 63,865 | 40,789 | 116,803 | 70,668 |
| COSTS AND EXPENSES | | | | |
| Direct Costs of Rental Operations | | | | |
| Depreciation of Rental Equipment | 10,762 | 5,875 | 22,327 | 9,136 |
| Rental Related Services | 4,161 | 3,590 | 7,732 | 6,265 |
| Other | 7,479 | 5,105 | 14,724 | 9,749 |
| Total Direct Costs of Rental Operations | 22,402 | 14,570 | 44,783 | 25,150 |
| Costs of Sales | 14,844 | 7,082 | 22,408 | 10,233 |
| Total Costs | 37,246 | 21,652 | 67,191 | 35,383 |
| Gross Profit | 26,619 | 19,137 | 49,612 | 35,285 |
| Selling and Administrative | 9,420 | 7,596 | 18,981 | 13,653 |
| Income from Operations | 17,199 | 11,541 | 30,631 | 21,632 |
| Interest | 1,912 | 1,408 | 3,631 | 1,948 |
| Income Before Provision for Income Taxes | 15,287 | 10,133 | 27,000 | 19,684 |
| Provision for Income Taxes | 5,809 | 4,043 | 10,260 | 7,854 |
| Income Before Minority Interest | 9,478 | 6,090 | 16,740 | 11,830 |
| Minority Interest in Income (Loss) of Subsidiary | 12 | (31) | 97 | (29) |
| Net Income | \$9,466 | \$6,121 | \$16,643 | \$11,859 |

| | | | | |
|---------------------------------------|--------|--------|--------|--------|
| Earnings Per Share: | | | | |
| Basic | \$0.38 | \$0.25 | \$0.68 | \$0.49 |
| Diluted | \$0.38 | \$0.25 | \$0.66 | \$0.48 |
| Shares Used in Per Share Calculation: | | | | |
| Basic | 24,627 | 24,306 | 24,600 | 24,279 |
| Diluted | 25,224 | 24,742 | 25,177 | 24,669 |

| | | | | |
|-----------------------|-----------|-----------|--|--|
| | June | December | | |
| | 30, | 31, | | |
| | 2005 | 2004 | | |
| BALANCE SHEET DATA | | | | |
| Rental Equipment, net | \$378,379 | \$357,788 | | |
| Total Assets | 504,191 | 474,280 | | |
| Notes Payable | 166,000 | 151,888 | | |
| Shareholders' Equity | 178,326 | 168,888 | | |

SEGMENT DATA (Unaudited)

| (in thousands) | Modulars | Electronics | Enviroplex | Consolidated |
|---|----------|-------------|------------|--------------|
| | ----- | ----- | ----- | ----- |
| Three Months Ended June 30, | | | | |
| ----- | | | | |
| 2005 | | | | |
| Rental Revenues | \$19,586 | \$17,215 | \$ -- | \$36,801 |
| Rental Related Services Revenues | 5,811 | 424 | -- | 6,235 |
| Sales and Other Revenues | 11,346 | 7,668 | 1,815 | 20,829 |
| Total Revenues | 36,743 | 25,307 | 1,815 | 63,865 |
| Depreciation of Rental Equipment | 2,228 | 8,534 | -- | 10,762 |
| Gross Profit | 16,649 | 9,309 | 661 | 26,619 |
| Interest Expense (Income) Allocation | 1,363 | 600 | (51) | 1,912 |
| Income before Provision for Income Taxes | 10,493 | 4,717 | 77 | 15,287 |
| Rental Equipment Acquisitions | 13,930 | 8,939 | -- | 22,869 |
| Accounts Receivable, net (period end) | 37,451 | 19,514 | 4,927 | 61,892 |
| Rental Equipment, at cost (period end) | 371,592 | 151,162 | -- | 522,754 |
| Rental Equipment, net book value (period end) | 274,704 | 103,675 | -- | 378,379 |
| Utilization (period end) (1) | 85.9% | 66.5% | | |
| Average Utilization(1) | 85.6% | 64.3% | | |
| 2004 | | | | |
| Rental Revenues | \$17,101 | \$8,459 | \$ -- | \$25,560 |
| Rental Related Services Revenues | 5,555 | 267 | -- | 5,822 |
| Sales and Other Revenues | 5,584 | 3,437 | 386 | 9,407 |
| Total Revenues | 28,240 | 12,163 | 386 | 40,789 |
| Depreciation of Rental Equipment | 2,043 | 3,832 | -- | 5,875 |
| Gross Profit | 14,556 | 4,675 | (94) | 19,137 |
| Interest Expense (Income) Allocation | 1,189 | 253 | (34) | 1,408 |
| Income before Provision for Income Taxes | 9,130 | 1,217 | (214) | 10,133 |
| Rental Equipment Acquisitions | 18,229 | 111,453 | -- | 129,682 |
| Accounts Receivable, net (period end) | 28,065 | 18,548 | 3,381 | 49,994 |
| Rental Equipment, at cost (period end) | 323,244 | 141,279 | -- | 464,523 |
| Rental Equipment, net book value (period end) | 231,743 | 120,594 | -- | 352,337 |
| Utilization (period end) (1) | 86.4% | 66.1% | | |
| Average Utilization(1) | 85.4% | 59.5% | | |

SEGMENT DATA (Unaudited)

| (in thousands) | Modulars | Electronics | Enviroplex | Consolidated |
|----------------|----------|-------------|------------|--------------|
| | ----- | ----- | ----- | ----- |

Six Months Ended June 30,

| | | | | |
|---|----------|----------|-------|----------|
| 2005 | | | | |
| Rental Revenues | \$38,612 | \$34,148 | \$ -- | \$72,760 |
| Rental Related Services Revenues | 10,779 | 731 | -- | 11,510 |
| Sales and Other Revenues | 14,081 | 14,345 | 4,107 | 32,533 |
| Total Revenues | 63,472 | 49,224 | 4,107 | 116,803 |
| Depreciation of Rental Equipment | 4,392 | 17,935 | -- | 22,327 |
| Gross Profit | 31,758 | 16,234 | 1,620 | 49,612 |
| Interest Expense (Income) Allocation | 2,575 | 1,172 | (116) | 3,631 |
| Income before Provision for Income Taxes | 19,786 | 6,653 | 561 | 27,000 |
| Rental Equipment Acquisitions | 35,682 | 16,867 | -- | 52,549 |
| Accounts Receivable, net (period end) | 37,451 | 19,514 | 4,927 | 61,892 |
| Rental Equipment, at cost (period end) | 371,592 | 151,162 | -- | 522,754 |
| Rental Equipment, net book value (period end) | 274,704 | 103,675 | -- | 378,379 |
| Utilization (period end) (1) | 85.9% | 66.5% | | |
| Average Utilization(1) | 85.7% | 63.1% | | |

| | | | | |
|---|----------|----------|-------|----------|
| 2004 | | | | |
| Rental Revenues | \$33,898 | \$11,685 | \$ -- | \$45,583 |
| Rental Related Services Revenues | 9,975 | 391 | -- | 10,366 |
| Sales and Other Revenues | 7,488 | 5,551 | 1,680 | 14,719 |
| Total Revenues | 51,361 | 17,627 | 1,680 | 70,668 |
| Depreciation of Rental Equipment | 4,049 | 5,087 | -- | 9,136 |
| Gross Profit | 27,826 | 7,041 | 418 | 35,285 |
| Interest Expense (Income) Allocation | 1,708 | 316 | (76) | 1,948 |
| Income before Provision for Income Taxes | 17,561 | 2,322 | (199) | 19,684 |
| Rental Equipment Acquisitions | 22,579 | 112,745 | -- | 135,324 |
| Accounts Receivable, net (period end) | 28,065 | 18,548 | 3,381 | 49,994 |
| Rental Equipment, at cost (period end) | 323,244 | 141,279 | -- | 464,523 |
| Rental Equipment, net book value (period end) | 231,743 | 120,594 | -- | 352,337 |
| Utilization (period end) (1) | 86.4% | 66.1% | | |
| Average Utilization(1) | 85.0% | 55.5% | | |

(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
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