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): February 22, 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 February 22, 2007, McGrath RentCorp (the "Company") announced via press release the Company's results for its fourth quarter ended December 31, 2006. 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 February 22, 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: February 22, 2007

By: /s/ Keith E. Pratt

Keith E. Pratt
Vice President and Chief Financial Officer

Exhibit 99.1

McGrath RentCorp Announces Results for Fourth Quarter and Year-end

EPS of $0.47 for the Fourth Quarter and $1.63 for the Year

Rental Revenues Increase 11% for the Year

Company Announces 12.5% Dividend Increase

LIVERMORE, Calif.--(BUSINESS WIRE)--Feb. 22, 2007--McGrath RentCorp (NASDAQ:MGRC) today announced revenues for the quarter ended December 31, 2006, of $70.7 million, compared to $77.6 million in the fourth quarter 2005. The Company reported net income for the fourth quarter 2006 of $11.9 million, or $0.47 per diluted share, compared to net income of $12.1 million, or $0.47 per diluted share, in the fourth quarter 2005. Rental revenue, the key driver of sustainable revenue and earnings levels, rose 10% compared to the fourth quarter of 2005.

Total revenues for the twelve months ended December 31, 2006, were $267.1 million, compared to $272.2 million in the same twelve-month period in 2005. Net income for the twelve months ended December 31, 2006, increased 1% to $41.1 million, or $1.63 per diluted share, compared to net income of $40.8 million, or $1.61 per diluted share, in the prior-year period.

Several items impacted 2005 and 2006 results, and should be considered when assessing year over year core business performance. In 2005, sales of modular classrooms related to hurricanes in the southeastern U.S. contributed $14.3 million of revenue and $0.09 of EPS. In addition, a lower effective tax rate increased EPS by $0.04 in 2005, caused by favorable revenue distribution by state due to the TRS acquisition. In 2006, the Company began expensing employee stock options as required by SFAS 123R, which reduced EPS by $0.08. In addition, the 2006 effective tax rate was reduced to 36.9% from 39.0% due primarily to a franchise tax law change in Texas, increasing EPS by $0.05.

The Company also announced that the board of directors declared a quarterly cash dividend of $0.18 per share for the quarter ending March 31, 2007, an increase of 12.5% over last year's same period. On an annualized basis, this dividend represents a 2.3% yield based on the February 21, 2007, closing stock price. The cash dividend will be payable on April 30, 2007, to all shareholders of record on April 16, 2007.

For the fourth quarter of 2006, the Company's Mobile Modular division reported a 12% increase in rental revenues to $24.3 million compared with $21.7 million in the fourth quarter 2005, with gross profit on rental revenues increasing 18% to $16.4 million from $14.0 million in the fourth quarter 2005. Sales revenues decreased $4.7 million from $14.4 million in the fourth quarter 2005 to $9.7 million, with gross profit on sales decreasing $1.3 million to $2.5 million in the fourth quarter 2006. The decrease in sales revenues was primarily due to $8.4 million of sales revenue related to damages caused by Hurricane Katrina during the fourth quarter 2005. The Company views these types of large sale projects as unique opportunities and generally does not expect sale projects of a similar size to occur on a regular basis. Total gross profit increased 7% from $20.2 million in the fourth quarter 2005 to $21.5 million in the fourth quarter 2006. Selling and administrative expenses increased $1.2 million to $6.4 million in the fourth quarter 2006, due primarily to $0.5 million of non-cash stock compensation expense related to the adoption of SFAS 123R. Allocated interest expense increased $0.4 million due to higher average interest rates and average debt levels experienced by the Company. As a result, Mobile Modular pre-tax income decreased 2% from $13.4 million to $13.2 million in the fourth quarter 2006.

For the fourth quarter of 2006, the Company's TRS-RenTelco division reported a 7% increase in rental revenues to $19.9 million compared to $18.6 million in the fourth quarter of 2005, with gross profit on rental revenues increasing 8% to $8.7 million from $8.0 million in the fourth quarter 2005. Sales revenues decreased $8.1 million from $12.1 million in the fourth quarter 2005 to $4.0 million in the fourth quarter 2006, with gross profit on sales decreasing $0.4 million to $1.9 million from $2.3 million in the fourth quarter 2005. Selling and administrative expenses increased $0.4 million, primarily due to $0.3 million of non-cash stock compensation expense related to the adoption of SFAS 123R. Allocated interest expense increased $0.2

million due to higher average interest rates and average debt levels experienced by the Company. As a result, TRS-RenTelco pre-tax income decreased 4% from $5.5 million to $5.3 million in the fourth quarter 2006.

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

"Our fourth quarter results reflect the continuing growth of our rental businesses in both modulars and electronics. Our long-term success has been and will continue to be driven by rental revenue growth and higher gross profit and margin on rents. These metrics provide the best gauge of the health and sustainable earnings potential of both Mobile Modular and TRS-RenTelco.

"Our full year results in 2006 show the strength of our core rental operations, contributing to combined increases of 11% in rental revenues to $168.9 million and 14% in gross profit on rents to $90.0 million. Mobile Modular rental revenues increased 12% to $91.1 million and gross profit on rents 10% to $56.7 million. This was accomplished in spite of a challenging California classroom rental environment in 2006 due to limited modernization bond funding at the state level. TRS-RenTelco rental revenues increased 9% to $77.8 million and gross profit on rents 23% to $33.3 million. These results reflect a healthy rental environment and lower depreciation expense and equipment processing costs, as a percentage of rents.

"Starting in 2007, and continuing through 2008, we will be making key strategic growth and infrastructure investments to support longer-term earnings. As a result, our 2007 EPS guidance range of $1.65 to $1.73 masks the strength of our continuing core rental operations due to the impact of these initiatives. These new investments include geographic market and segment expansion of our modular rental business, a new ERP application platform, IT infrastructure upgrades, and greater management bandwidth and staffing. In 2007, although we expect our continuing core modular and electronics rental operations to contribute approximately a 12% increase in EPS over 2006 levels, a large portion of this earnings growth is being offset by the collective amount of these key investments and a return to a more normalized effective tax rate.

"For Mobile Modular in 2007, our outlook for the California classroom rental market is very favorable. With passage of the November 2006 school facilities bond measure supporting school modernization, the cloud of uncertainty on the backlog of school reconstruction projects moving forward in 2007 and 2008 has now been lifted. We anticipate higher California classroom booking levels in 2007 with the majority of equipment shipping beginning late in the second and third quarters. While this means that we will only see approximately three to six months of rental billings in 2007, we should see a full twelve months of rental revenues from the great majority of these orders in 2008. We also anticipate a healthy flow of new school modernization project opportunities continuing through 2008 from the bond funding now in place. School modernization and reconstruction projects typically have rental terms from 18 to 36 months or longer. We are also expecting another strong year in the Florida educational market due to the popularity of our hybrid classroom product, the demand for class size reduction and other facility needs, and our growing base of customers.

"The strength we saw in the California and Texas commercial markets in 2006 has continued into 2007. We are also optimistic regarding the over $30 billion in non-educational infrastructure bond monies passed by California voters at the end of 2006 that could benefit commercial market activity for many years.

"In 2007, we are looking forward to launching our first new modular geographic market since our entry into the Florida educational market in 2004. We have identified several U.S. markets that we believe will be attractive long-term opportunities for our educational and commercial modular business. We are actively preparing for launch in select markets and we will be updating our progress during 2007. We are also excited about our recent entry into the commercial modular rental market in Florida. We believe the Florida commercial market is of significant size and customer diversity to add favorably to our long-term profitability in the state. This year, we will also complete the development of our central Florida regional sales and inventory center to support our growing business levels.

"For TRS-RenTelco in 2007, we are anticipating favorable U.S. and Canadian rental markets. We believe broad based demand will be driven by emerging wireless communication technologies, semiconductor and consumer electronics product development and manufacturing, and the impact of increasing volumes of broadband, wireless and video traffic on communication networks. In addition, we will continue to assess options for geographic and product line expansion.

"Looking ahead in 2007, we will be nurturing our new modular geographic launches and expansion into the Florida commercial modular rental market. On a parallel track, we will continue our "growth laboratory" and "incubation" work on potential new initiatives in order to create a continuum of future earnings growth opportunities. In turn, the investments we are making in creating greater management bench strength, and in our IT infrastructure, staffing and new ERP application platform, are essential to support the Company's future growth."

FOURTH QUARTER 2006 HIGHLIGHTS (AS COMPARED TO FOURTH QUARTER 2005)

-- Rental revenues increased 10% to $44.2 million. Within rental revenues, Mobile Modular increased 12% from $21.7 million to $24.3 million; TRS-RenTelco increased 7% from $18.6 million to $19.9 million.

-- Sales revenues decreased 42% to $16.7 million, resulting from lower sales volume at Mobile Modular and TRS-RenTelco. In the fourth quarter 2005, Mobile Modular sales revenues included $8.4 million of sales revenues related to damages caused by Hurricane Katrina. Lower sales volume was partially offset by a higher gross margin percentage of 30.0% in 2006 compared to 22.7% in 2005, resulting in gross profit decreasing 23% to $5.0 million in 2006 from $6.5 million in 2005. 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 6% to $11.8 million, with Mobile Modular increasing 5% to $2.9 million from $2.8 million in 2005, and TRS-RenTelco increasing 7% to $8.9 million from $8.3 million in 2005.

-- Debt decreased $12.5 million during the quarter to $165.6 million, with the Company's total liabilities to equity ratio decreasing from 1.66 to 1 as of September 30, 2006 to 1.54 to 1 at December 31, 2006. As of December 31, 2006, the Company, under its lines of credit, had capacity to borrow an additional $89.4 million.

-- Dividend rate increased 14% to $0.16 per share for the fourth quarter 2006, as compared to $0.14 per share for the fourth quarter of 2005. On an annualized basis, this dividend represents a 2.0% yield on the February 21, 2006 close price of $31.67.

-- EBITDA increased 6% to $34.6 million for the fourth quarter 2006 compared to $32.8 million for the fourth quarter 2005. 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 expects 2007 financial results to be driven by continued growth in its core rental operations, partly offset by increases in selling and administrative expenses, with full-year earnings per share to be in a range of $1.65 to $1.73 per diluted share.

In 2007, we expect low double-digit percentage growth in rental revenues to be somewhat offset by higher selling and administrative costs as we invest in geographic market and segment expansion of our modular rental business, a new ERP application platform, IT infrastructure upgrades, and greater management bandwidth and staffing. Selling and administrative costs are expected to increase by approximately 15% compared to 2006. In addition, we expect a higher estimated effective tax rate of 39.0%, compared to 36.9% in 2006. Our lower 2006 tax rate was primarily due to a one-time reduction to the Company's deferred tax liability as a result of a franchise tax law change enacted by the state of Texas in May 2006. These forward-looking statements reflect McGrath RentCorp's expectations as of February 22, 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 January 25, 2007, McGrath RentCorp will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on February 22, 2007 to discuss the fourth quarter 2006 results. To participate in the teleconference, dial 1-800-218-9073 (in the U.S.), or 1-303-262-2139 (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 11081107.

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 and business conditions, state funding for education, economic conditions in the markets in which the Company conducts the majority of its business, continuing demand for modular products, timely delivery and installation of modular products, delays of future sales projects, intense industry competition, fluctuations in interest rates and the Company's ability to manage credit risk, fluctuations in the Company's effective tax rate, hiring, retention and motivation of key personnel, success of the Company's strategic growth initiatives, successful implementation of information system upgrades, ability to finance expansion and to locate and consummate acquisitions, and new or modified statutory or regulatory requirements. 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)

(in thousands, except per share amounts)	Three Months Ended December 31, 2006	Three Months Ended December 31, 2005	Twelve Months Ended December 31, 2006	Twelve Months Ended December 31, 2005
REVENUES				

Rental	$44,205	$40,316	$168,940	$152,316
Rental Related Services	9,155	8,021	31,599	26,460
Rental Operations	53,360	48,337	200,539	178,776
Sales	16,708	28,730	64,085	90,823
Other	594	548	2,442	2,581
Total Revenues	70,662	77,615	267,066	272,180
COSTS AND EXPENSES				
Direct Costs of Rental Operations				
Depreciation of Rental Equipment	11,782	11,088	45,353	44,178
Rental Related Services	6,535	5,687	21,830	17,893
Other	7,318	7,230	33,576	29,292
Total Direct Costs of Rental Operations	25,635	24,005	100,759	91,363
Costs of Sales	11,703	22,203	44,481	67,378
Total Costs	37,338	46,208	145,240	158,741
Gross Profit	33,324	31,407	121,826	113,439
Selling and Administrative	11,865	10,295	45,499	39,819
Income from Operations	21,459	21,112	76,327	73,620
Interest	2,675	2,164	10,760	7,890
Income Before Provision for Income Taxes	18,784	18,948	65,567	65,730
Provision for Income Taxes	6,844	6,872	24,209	24,649
Income Before Minority Interest	11,940	12,076	41,358	41,081
Minority Interest in Income (Loss) of Subsidiary	43	(29)	280	262
Net Income	$11,897	$12,105	$41,078	$40,819
Earnings Per Share:				
Basic	$0.48	$0.49	$1.65	$1.65
Diluted	$0.47	$0.47	$1.63	$1.61
Shares Used in Per Share Calculation:				
Basic	25,008	24,795	24,948	24,668
Diluted	25,313	25,542	25,231	25,331
Cash Dividends Declared Per Share	$0.16	$0.14	$0.64	$0.56

MCGRATH RENTCORP
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	December 31,	
(in thousands)	2006	2005
Assets		
Cash	$349	$276
Accounts Receivable, net of allowance for doubtful accounts of $1,000 in 2006 and 2005	59,834	64,424
Rental Equipment, at cost:		
Relocatable Modular Buildings	451,828	408,227
Electronic Test Instruments	186,673	154,708
	638,501	562,935
Less Accumulated Depreciation	(187,159)	(156,502)
Rental Equipment, net	451,342	406,433
Property, Plant and Equipment, net	58,146	56,008
Prepaid Expenses and Other Assets	15,871	16,019

Total Assets	$585,542	$543,160
Liabilities and Shareholders' Equity		
Liabilities:		
Notes Payable	$165,557	$163,232
Accounts Payable and Accrued Liabilities	55,509	51,690
Deferred Income	25,852	28,132
Minority Interest in Subsidiary	3,479	3,199
Deferred Income Taxes, net	104,353	98,438
Total Liabilities	354,750	344,691
Shareholders' Equity:		
Common Stock, no par value -- Authorized -- 40,000 shares Issued and Outstanding -- 25,090 shares in 2006 and 24,832 shares in 2005	33,963	26,224
Retained Earnings	196,829	172,245
Total Shareholders' Equity	230,792	198,469
Total Liabilities and Shareholders' Equity	$585,542	$543,160

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(in thousands)	Year Ended December 31, 2006	2005
Cash Flow from Operating Activities:		
Net Income	$41,078	$40,819
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	47,461	46,433
Provision for Doubtful Accounts	863	845
Non-Cash Stock Compensation	3,125	44
Gain on Sale of Rental Equipment	(9,747)	(9,662)
Change In:		
Accounts Receivable	3,727	(9,979)
Prepaid Expenses and Other Assets	148	(1,312)
Accounts Payable and Accrued Liabilities	8,829	2,646
Deferred Income	(2,280)	2,311
Deferred Income Taxes	5,915	9,708
Net Cash Provided by Operating Activities	99,119	81,853
Cash Flow from Investing Activities:		
Purchase of Rental Equipment	(109,920)	(105,501)
Purchase of Property, Plant and Equipment	(4,247)	(10,512)
Proceeds from Sale of Rental Equipment	24,144	31,406
Net Cash Used in Investing Activities	(90,023)	(84,607)
Cash Flow from Financing Activities:		
Net Borrowings Under Bank Lines of Credit	2,325	11,344
Proceeds from the Exercise of Stock Options	3,591	3,325
Excess Tax Benefit from Exercise of Disqualifying Disposition of Stock Options	1,047	1,270
Repurchase of Common Stock	(526)	(30)
Payment of Dividends	(15,460)	(13,068)
Net Cash Provided by (Used in) Financing Activities	(9,023)	2,841
Net Increase in Cash	73	87
Cash Balance, beginning of period	276	189
Cash Balance, end of period	$349	$276

Interest Paid, during the period	$10,511	$7,799
Income Taxes Paid, during the period	$17,248	$22,871
Dividends Declared, not yet paid	$4,016	$3,479
Rental Equipment Acquisitions, not yet paid	$9,432	$14,694

Mobile Modular - Q4 2006 compared to Q4 2005 (Unaudited)

(dollar amounts in thousands)	Three Months Ended December 31,		Increase (Decrease)	
	2006	2005	$	%
Revenues				
Rental	$24,257	$21,682	$2,575	12%
Rental Related Services	8,466	7,604	862	11%
Rental Operations	32,723	29,286	3,437	12%
Sales	9,742	14,377	(4,635)	-32%
Other	184	162	22	14%
Total Revenues	$42,649	$43,825	$(1,176)	-3%
Gross Profit				
Rental	$16,434	$13,963	$2,471	18%
Rental Related Services	2,420	2,240	180	8%
Rental Operations	18,854	16,203	2,651	16%
Sales	2,461	3,793	(1,332)	-35%
Other	184	162	22	14%
Total Gross Profit	$21,499	$20,158	$1,341	7%
Pre-tax Income	$13,155	$13,393	$(238)	-2%
Other Information				
Depreciation of Rental Equipment	$2,925	$2,773	$152	5%
Interest Expense Allocation	$1,958	$1,590	$368	23%
Average Rental Equipment (1)	$406,913	$363,768	$43,145	12%
Average Rental Equipment on Rent (1)	$335,204	$305,008	$30,196	10%
Average Monthly Total Yield (2)	1.99%	1.99%		0%
Average Utilization (3)	82.4%	83.8%		-2%
Average Monthly Rental Rate (4)	2.41%	2.37%		2%
Period End Rental Equipment (1)	$410,205	$366,253	$43,952	12%
Period End Utilization (3)	81.4%	83.5%		-3%
Period End Floors (1)	24,854	23,135	1,719	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 - Q4 2006 compared to Q4 2005 (Unaudited)

(dollar amounts in thousands)	Three Months Ended December 31,		Increase (Decrease)	
	2006	2005	$	%
Revenues				
Rental	$19,948	$18,634	$1,314	7%
Rental Related Services	689	417	272	65%
Rental Operations	20,637	19,051	1,586	8%
Sales	4,047	12,128	(8,081)	-67%
Other	410	386	24	6%
Total Revenues	$25,094	$31,565	$(6,471)	-21%
Gross Profit				
Rental	8,671	8,035	636	8%
Rental Related Services	200	94	106	113%
Rental Operations	8,871	8,129	742	9%
Sales	1,931	2,277	(346)	-15%
Other	410	386	24	6%
Total Gross Profit	$11,212	$10,792	$420	4%
Pre-tax Income	$5,270	$5,490	$(220)	-4%
Other Information				
Depreciation of Rental Equipment	$8,857	$8,315	$542	7%
Interest Expense Allocation	$878	$665	$213	32%
Average Rental Equipment (1)	$182,783	$153,094	$29,689	19%
Average Rental Equipment on Rent (1)	$125,029	$108,007	$17,022	16%
Average Monthly Total Yield (2)	3.64%	4.06%		-10%
Average Utilization (3)	68.4%	70.5%		-3%
Average Monthly Rental Rate (4)	5.32%	5.75%		-7%
Period End Rental Equipment (1)	$186,085	$154,119	$31,966	21%
Period End Utilization (3)	66.3%	68.9%		-4%

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.

Mobile Modular - Twelve Months 2006 compared to Twelve Months 2005 (Unaudited)

(dollar amounts in thousands)	Twelve Months Ended December 31,		Increase (Decrease)	
	2006	2005	$	%
Revenues				
Rental	$91,124	$81,180	$9,944	12%
Rental Related Services	29,913	25,053	4,860	19%
Rental Operations	121,037	106,233	14,804	14%
Sales	34,209	49,107	(14,898)	-30%
Other	729	625	104	17%
Total Revenues	$155,975	$155,965	$10	0%

Gross Profit				
Rental	$56,672	$51,756	$4,916	9%
Rental Related Services	9,782	8,259	1,523	18%
Rental Operations	66,454	60,015	6,439	11%
Sales	9,069	12,100	(3,031)	-25%
Other	729	625	104	17%
Total Gross Profit	$76,252	$72,740	$3,512	5%
Pre-tax Income	$43,439	$46,794	$(3,355)	-7%
Other Information				
Depreciation of Rental Equipment	$10,898	$9,587	$1,311	14%
Interest Expense Allocation	$7,907	$5,679	$2,228	39%
Average Rental Equipment (1)	$385,630	$341,103	$44,527	13%
Average Rental Equipment on Rent (1)	$319,716	$289,584	$30,132	10%
Average Monthly Total Yield (2)	1.97%	1.98%		-1%
Average Utilization (3)	82.9%	84.9%		-2%
Average Monthly Rental Rate (4)	2.38%	2.34%		2%
Period End Rental Equipment (1)	$410,205	$366,253	$43,952	12%
Period End Utilization (3)	81.4%	83.5%		-3%
Period End Floors (1)	24,854	23,135	1,719	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 - Twelve Months 2006 compared to Twelve Months 2005 (Unaudited)

(dollar amounts in thousands)	Twelve Months Ended December 31,		Increase (Decrease)	
	2006	2005	$	%
Revenues				
Rental	$77,816	$71,136	$6,680	9%
Rental Related Services	1,686	1,407	279	20%
Rental Operations	79,502	72,543	6,959	10%
Sales	17,483	31,154	(13,671)	-44%
Other	1,713	1,956	(243)	-12%
Total Revenues	$98,698	$105,653	$(6,955)	-7%
Gross Profit				
Rental	$33,339	$27,090	$6,249	23%
Rental Related Services	(13)	308	(321)	-104%
Rental Operations	33,326	27,398	5,928	22%
Sales	6,603	7,689	(1,086)	-14%
Other	1,713	1,956	(243)	-12%
Total Gross Profit	$41,642	$37,043	$4,599	12%

Pre-tax Income	$19,827	$17,211	$2,616	15%
Other Information				
Depreciation of Rental Equipment	$34,455	$34,591	$(136)	0%
Interest Expense Allocation	$3,385	$2,475	$910	37%
Average Rental Equipment (1)	$170,705	$151,087	$19,618	13%
Average Rental Equipment on Rent (1)	$118,798	$99,980	$18,818	19%
Average Monthly Total Yield (2)	3.80%	3.92%		-3%
Average Utilization (3)	69.6%	66.2%		5%
Average Monthly Rental Rate (4)	5.46%	5.93%		-8%
Period End Rental Equipment (1)	$186,085	$154,119	$31,966	21%
Period End Utilization (3)	66.3%	68.9%		-4%

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 December 31, 2006 and 2005.

(dollar amounts in thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2006	2005	2006	2005
Net Income	$11,897	$12,105	$41,078	$40,819
Minority Interest in Income (Loss) of Subsidiary	43	(29)	280	262
Provision for Income Taxes	6,844	6,872	24,209	24,649
Interest	2,675	2,164	10,760	7,890
Income from Operations	21,459	21,112	76,327	73,620
Depreciation and Amortization	12,321	11,624	47,461	46,433
Non-Cash Stock Compensation	791	44	3,125	44
EBITDA (1)	$34,571	$32,780	$126,913	$120,097
EBITDA Margin (2)	49%	42%	48%	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.

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