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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 3, 2005

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 November 3, 2005, McGrath RentCorp (the "Company") announced via press
release the Company's results for its third quarter ended September 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 November 3, 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: November 3, 2005

By: /s/ Thomas J. Sauer

Thomas J. Sauer
Vice President and Chief Financial
Officer

McGrath RentCorp Announces Third Quarter Results; Q3 2005 EPS Increases 26% to \$0.48; Company Increases 2005 EPS Guidance Range to \$1.57 to \$1.62

LIVERMORE, Calif.--(BUSINESS WIRE)--Nov. 3, 2005--McGrath RentCorp (NASDAQ:MGRC) today announced revenues for the quarter ended September 30, 2005, of \$77.8 million, compared to \$72.5 million in third quarter 2004. The Company reported net income of \$12.1 million, or \$0.48 per share, compared to \$9.4 million, or \$0.38 per share in the third quarter 2004.

For the third quarter of 2005, Mobile Modular's total revenues increased 23% from \$39.6 million to \$48.7 million with both rental and sales revenues improving on the continued strength in the educational market. Sales revenues for the quarter included three large sale projects totaling \$11.7 million, of which \$5.8 million were related to damages caused by the recent hurricanes. The large sale projects recognized in the quarter are of a similar nature as the single sale project of \$9.3 million recognized in third quarter 2004. The Company views these types of large sale projects as unique opportunities and generally would not expect sale projects of a similar size to occur on a regular basis. Mobile Modular's significant increase in revenues led to a 29% increase in its pre-tax income to \$13.6 million. As of September 30, 2005, Mobile Modular's backlog of sale projects related to the recent hurricanes totaled \$8.5 million and will be recognized during the fourth quarter 2005. Looking forward, Mobile Modular anticipates additional hurricane related rental and sale opportunities, although the extent and duration remains uncertain. For TRS-RenTelco, third quarter 2005 rental revenues decreased 2% to \$18.4 million from \$18.7 million, though, gross profit on rents increased to \$7.9 million from \$7.2 million a year ago due to lower depreciation expense, contributing to the quarter's pre-tax income increase to \$5.1 million from \$4.5 million.

"Our third quarter 2005 earnings reflect our first full quarter-over-quarter comparison of TRS-RenTelco's results since the merger in June 2004," stated Dennis Kakures, President and CEO. "The EPS increase of 26% for the quarter demonstrates the impact of new classroom rental and sale activity in 2005 and greater profitability in our test equipment business.

"We continue to measure the strength of our modular business by growth in both top-line rental revenues and gross profit on rents. We believe these metrics provide the best gauge of the potential horsepower of our modular economic engine going forward. Quarter-over-quarter growth for rental revenues was 13% to \$20.9 million and related gross profit grew 22% to \$13.3 million, both of which were records. We continue to benefit from the recurring rental stream from educational facility rentals in the geographic markets we serve. In California, we experienced higher than normal classroom returns during the quarter as public school modernization projects were completed and equipment was returned. We expect redeployment of the great majority of these classrooms to occur over the next twelve months. In Florida, business activity levels have continued very favorably, as we support the needs of school districts in both enrollment growth and the implementation of class size reduction. Also, as a result of the recent hurricanes, we have and will continue to respond to modular rental and sale opportunities in the Texas and Southeastern markets.

"For our test equipment business, pre-tax income and gross profit on rents reached their highest levels to date for the combined TRS-RenTelco business. Although top-line rental revenues were down slightly from a year ago, we continue to more effectively manage our rental inventory by selling underutilized equipment, ending the quarter with utilization of 70.9%, which lowered depreciation as a percentage of rents and improved rental margin to 42.9%. We also continue to invest in the latest technology test equipment to support new rental opportunities and believe we have put in place the cost structure and operating disciplines that will support our future earnings growth."

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

- Rental revenues increased 6% to \$39.2 million. Within rental revenues, Mobile Modular increased 13% from \$18.4 million to \$20.9 million; TRS-RenTelco decreased 2% from \$18.7 million to \$18.4 million, yet improved sequentially from the second quarter 2005 level of \$17.2 million.
- Sales revenues increased 10% to \$31.0 million, resulting primarily from Mobile Modular's increased sales volume, which included \$5.8 million of sales revenues related to requirements related to the recent hurricanes. Higher sales

volume combined with a higher gross margin percentage, 26.5% in 2005 compared to 20.3% in 2004, resulted in a gross profit increase of \$2.5 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 decreased 7% to \$10.8 million, with Mobile Modular increasing 13% to \$2.4 million and TRS-RenTelco decreasing 12% to \$8.3 million from \$9.4 million in 2004. The TRS-RenTelco decrease was due to the determination in April 2005 to extend the useful lives on two models of test equipment (quarterly impact of \$0.6 million) and the net impact of selling underutilized equipment and rental equipment becoming fully depreciated, offset by new equipment purchases.
- Debt decreased \$11.4 million during the quarter to \$154.6 million, with the Company's total liabilities to equity ratio decreasing from 1.83 to 1 at June 30, 2005 to 1.80 to 1 as of September 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 extend the expiration dates to June 30, 2008. As of September 30, 2005, the Company, under its lines of credit, had capacity to borrow an additional \$100.4 million.
- Dividend rate increased 27% to \$0.14 per share for the third quarter 2005, as compared to \$0.11 per share for the third quarter of 2004. On an annualized basis, this dividend represents a 2.0% yield on the November 2, 2005 close price of \$28.18.

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 expects its 2005 full-year earnings per share to be in a range of \$1.57 to \$1.62 per diluted share. Such a forward-looking statement reflects McGrath RentCorp's expectations as of November 3, 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 October 12, 2005, McGrath RentCorp will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on November 3, 2005 to discuss the third quarter 2005 results. To participate in the teleconference, dial 1-800-218-8862 (international callers dial 1-303-262-2143). 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 11041135.

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 expectation regarding revenue being generated from our backlog of sale

projects related to the recent hurricanes, our expectation regarding additional future hurricane related rental and sale opportunities, our expectation regarding redeployment of the higher than normal California classroom returns over the next twelve months, our expectation that the cost structure and operating disciplines in our TRS-RenTelco business will support future earnings growth for that business, our expectation regarding the annual 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 September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
REVENUES				
Rental	\$ 39,240	\$ 37,113	\$112,000	\$82,696
Rental Related Services	6,929	6,613	18,439	16,958
Rental Operations	46,169	43,726	130,439	99,654
Sales	30,986	28,208	62,093	42,489
Other	607	606	2,033	1,065
Total Revenues	77,762	72,540	194,565	143,208
COSTS AND EXPENSES				
Direct Costs of Rental Operations				
Depreciation of Rental Equipment	10,763	11,589	33,090	20,725
Rental Related Services	4,474	3,981	12,206	10,246
Other	7,338	7,465	22,062	17,214
Total Direct Costs of Rental Operations	22,575	23,035	67,358	48,185
Costs of Sales	22,767	22,496	45,175	32,729
Total Costs	45,342	45,531	112,533	80,914
Gross Profit	32,420	27,009	82,032	62,294
Selling and Administrative	10,543	9,641	29,524	23,294
Income from Operations	21,877	17,368	52,508	39,000
Interest	2,095	1,576	5,726	3,524
Income Before Provision for Income Taxes	19,782	15,792	46,782	35,476
Provision for Income Taxes	7,517	6,301	17,777	14,155
Income Before Minority Interest	12,265	9,491	29,005	21,321
Minority Interest in				

Income of Subsidiary	194	111	291	82
Net Income	\$ 12,071	\$ 9,380	\$ 28,714	\$21,239
Earnings Per Share:				
Basic	\$ 0.49	\$ 0.39	\$ 1.17	\$ 0.87
Diluted	\$ 0.48	\$ 0.38	\$ 1.14	\$ 0.86
Shares Used in Per Share Calculation:				
Basic	24,678	24,354	24,626	24,304
Diluted	25,382	24,842	25,255	24,716

BALANCE SHEET DATA	September 30, 2005	December 31, 2004
Rental Equipment, net	\$ 391,170	\$ 357,788
Total Assets	529,407	474,280
Notes Payable	154,623	151,888
Shareholders' Equity	188,933	166,888

SEGMENT DATA (Unaudited)

(in thousands)

	Modulars	Electronics	Enviroplex	Consolidated
Three Months Ended September 30,				
2005				
Rental Revenues	\$ 20,886	\$ 18,354	\$ --	\$ 39,240
Rental Related Services Revenues	6,670	259	--	6,929
Sales and Other Revenues	21,112	6,251	4,230	31,593
Total Revenues	48,668	24,864	4,230	77,762
Depreciation of Rental Equipment	2,422	8,341	--	10,763
Gross Profit	20,824	10,017	1,579	32,420
Interest Expense (Income) Allocation	1,514	638	(57)	2,095
Income before Provision for Income Taxes	13,615	5,068	1,099	19,782
Rental Equipment Acquisitions	19,450	8,651	--	28,101
Accounts Receivable, net (period end)	48,673	18,209	7,328	74,210
Rental Equipment, at cost (period end)	388,814	152,474	--	541,288
Rental Equipment, net book value (period end)	290,309	100,861	--	391,170
Utilization (period end)(1)	84.1%	70.9%		
Average Utilization(1)	84.7%	68.3%		

2004				
Rental Revenues	\$ 18,416	\$ 18,697	\$ --	\$ 37,113
Rental Related Services Revenues	6,264	349	--	6,613
Sales and Other Revenues	14,893	7,752	6,169	28,814
Total Revenues	39,573	26,798	6,169	72,540
Depreciation of Rental Equipment	2,152	9,437	--	11,589
Gross Profit	16,458	9,304	1,247	27,009
Interest Expense (Income) Allocation	1,094	518	(36)	1,576
Income before Provision for Income Taxes	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 book value (period end)	238,659	117,201	--	355,860
Utilization (period end)(1)	86.3%	65.2%		
Average Utilization(1)	86.3%	65.0%		

SEGMENT DATA (Unaudited)

(in thousands)	Modulars	Electronics	Enviroplex	Consolidated
Nine Months Ended September 30,				
2005				
Rental Revenues	\$ 59,498	\$ 52,502	\$ --	\$ 112,000
Rental Related Services Revenues	17,449	990	--	18,439
Sales and Other Revenues	35,193	20,596	8,337	64,126
Total Revenues	112,140	74,088	8,337	194,565
Depreciation of Rental Equipment	6,814	26,276	--	33,090
Gross Profit	52,582	26,251	3,199	82,032
Interest Expense (Income) Allocation	4,089	1,810	(173)	5,726
Income before Provision for Income Taxes	33,401	11,721	1,660	46,782
Rental Equipment Acquisitions	55,132	25,518	--	80,650
Accounts Receivable, net (period end)	48,673	18,209	7,328	74,210
Rental Equipment, at cost (period end)	388,814	152,474	--	541,288
Rental Equipment, net book value (period end)	290,309	100,861	--	391,170
Utilization (period end)(1)	84.1%	70.9%		
Average Utilization(1)	85.3%	64.9%		
2004				
Rental Revenues	\$ 52,314	\$ 30,382	\$ --	\$ 82,696
Rental Related Services Revenues	16,239	719	--	16,958
Sales and Other Revenues	22,381	13,324	7,849	43,554
Total Revenues	90,934	44,425	7,849	143,208
Depreciation of Rental Equipment	6,201	14,524	--	20,725
Gross Profit	44,284	16,345	1,665	62,294
Interest Expense (Income) Allocation	2,802	834	(112)	3,524
Income before Provision for Income Taxes	28,089	6,831	556	35,476
Rental Equipment Acquisitions	33,220	124,599	--	157,819
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 book value (period end)	238,659	117,201	--	355,860
Utilization (period end)(1)	86.3%	65.2%		
Average Utilization(1)	85.4%	60.6%		

(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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