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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): October 30, 2003

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)

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Item 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(c) Exhibits.

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

On October 30, 2003, McGrath RentCorp (the "Company") announced via press release the Company's results for its third quarter ended October 30, 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.

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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: October 30, 2003

By: /s/ Thomas J. Sauer

Thomas J. Sauer
Vice President and Chief Financial Officer

McGrath RentCorp Announces Third Quarter Results;
Q3 2003 EPS of \$0.50

LIVERMORE, Calif.--(BUSINESS WIRE)--xx--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 September 30, 2003 of \$34.9 million, compared to \$42.0 million in third quarter 2002. The Company reported net income of \$6.1 million, or \$0.50 per share, compared to \$8.5 million, or \$0.68 per share, in third quarter 2002.

Third quarter 2002 results included a nonrecurring expense reimbursement of \$1.25 million related to the terminated Tyco merger, which increased net income by \$0.8 million or \$0.06 per share. For comparability, excluding the expense reimbursement, third quarter net income would have decreased 21% from \$7.7 million, or \$0.62 per share, in 2002 to \$6.1 million, or \$0.50 per share in 2003.

The Company's Mobile Modular division had very high shipping levels of classroom product during the quarter, which were offset by unexpected project delays by customers, lower average rental rates and equipment returns. Mobile Modular's rental revenues decreased 3% and sales revenues decreased 11% contributing to a 5% overall decline in total revenues. The reduction in revenues led to a 23% decline of Mobile Modular's pre-tax income to \$8.4 million, representing 82% of the Company's total pre-tax income for the quarter. For Enviroplex, the Company's classroom manufacturer, sales revenues declined 57% to \$3.0 million as quarter end projects in process of \$3.7 million caused a higher than expected backlog of \$7.1 million compared to \$2.8 million a year ago. The Company's RenTelco division increased quarterly rental revenues by 14% on a sequential basis to \$3.4 million from \$3.0 million in second quarter 2003 and contributed \$1.2 million pre-tax earnings primarily as a result of selling underutilized equipment. The rental revenue increase may not be reflective of improving fundamentals, given the continuing difficult conditions throughout the telecommunications industry.

"This quarter marks a return to sequential rental revenue growth for Mobile Modular from \$15.2 million to \$16.2 million, which had previously experienced three consecutive quarterly declines," stated Dennis Kakures, President and CEO. "Although we've had a very strong year in modular classroom rental bookings, we have also experienced unexpected project delays by customers, lower average rental rates from tightening budgets, and an increased number of equipment returns from completed projects. The impact of having had a very favorable year in modular classroom bookings combined with these off-setting factors has lowered the rental revenue growth rate in the third quarter. Despite these off-setting factors, we still are expecting our highest ever fourth quarter rental revenues for Mobile Modular, which makes us confident in reconfirming our previously provided guidance range of \$1.75 to \$1.85 per share. This higher run rate will also benefit us heading into 2004."

Kakures continued, "Our communications test equipment business experienced its second sequential quarterly increase in rental revenues. This is the first time this has occurred since early 2001. Although the trend is encouraging, we do not believe it yet reflects a sustained recovery for the business."

Total revenues for the nine months ended September 30, 2003, were \$93.9 million compared to \$110.2 million in the same nine-month period in 2002. Net income for the nine months ended September 30, 2003, was \$15.7 million or \$1.28 per share, compared to \$4.9 million, or \$0.39 per share, in the prior-year period. The nine-month 2002 results include noncash RenTelco impairment charges of \$24.1 million, which reduced net income by \$14.5 million or \$1.15 per share and net nonrecurring income related to the terminated Tyco merger, which increased net income by \$0.4 million, or \$0.03 per share.

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

- Rental revenues decreased 3% to \$19.6 million. Within rental revenues, Mobile Modular decreased 3% to \$16.2 million primarily due to unexpected project delays by customers, lower average rental rates and equipment returns; and RenTelco decreased 2% to \$3.4 million as a result of the severe and prolonged broad-based weakness in the telecommunications industry.
- Sales revenues decreased 32% to \$10.7 million resulting from decreased equipment sales by Enviroplex, Mobile Modular and RenTelco. Overall gross profit on sales decreased from \$3.9 million in 2002 to \$3.4 million in 2003. Sales can fluctuate

from quarter to quarter and year to year depending on customer requirements and funding.

- Depreciation of rental equipment remained at \$3.2 million for the quarter. Within depreciation expense, Mobile Modular's depreciation expense increased 9% to \$1.9 million and RenTelco's depreciation expense decreased 10% to \$1.3 million, resulting primarily from the sale of underutilized electronics equipment.
- Operating cash flow decreased 24% to \$13.8 million, primarily due to lower earnings for the quarter. Debt decreased \$2.2 million to \$56.0 million, with the Company's total liabilities to equity ratio increasing from 1.34 to 1 at June 30, 2003 to 1.43 to 1 as of September 30, 2003. At September 30, 2003, the Company, under existing bank lines of credit, has capacity to borrow up to an additional \$85.0 million.
- Dividend rate increased to \$0.20 per share for the third quarter 2003. On an annualized basis, this dividend represented a 2.7% yield on the October 29, 2003 close price of \$29.76.

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 Forms 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 October 2, 2003, McGrath RentCorp will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on October 30, 2003 to discuss the third quarter 2003 results. To participate in the teleconference, dial 1-800-219-6110 (international callers dial 1-303-262-2075). 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 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 554966#.

NON-GAAP FINANCIAL MEASURES: This press release includes financial measures for earnings per share and net income that have not been calculated in accordance with generally accepted accounting principles (GAAP). These differ from GAAP in that they exclude from the 2002 nine month results noncash impairment charges of \$24.1 million, which were taken by the Company's RenTelco segment and primarily affected the carrying value of its communications rental equipment, and net nonrecurring income items related to the terminated merger with Tyco International of \$0.4 million. McGrath RentCorp provides these measurements because they provide a consistent basis for comparison between quarters without the effect of one-time events. The net income and earnings per share contained in the attached unaudited financial statement are presented and have been calculated in accordance with GAAP.

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 impact of high shipping levels of rental classrooms during the third quarter of 2003, the expectation of fourth quarter 2003 modular rental revenues to be the highest fourth quarter rental revenue level ever, the expected benefits of a higher run rate going into 2004, the

expectation of a trend in sequential quarterly rental revenue increases for communications test equipment, 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		Nine Months Ended	
	September 30		September 30	
	2003	2002	2003	2002
REVENUES				
Rental	\$19,592	\$20,202	\$56,252	\$62,152
Rental Related Services	4,350	4,483	11,554	12,773
Rental Operations	23,942	24,685	67,806	74,925
Sales	10,719	15,752	25,496	33,061
Other	194	1,513	598	2,204
Total Revenues	34,855	41,950	93,900	110,190

COSTS AND EXPENSES

Direct Costs of Rental Operations				
Depreciation of Rental Equipment	3,226	3,222	9,468	12,327
Rental Related Services	2,501	2,362	6,874	6,913
Impairment of Rental Equipment	--	--	--	24,083
Other	5,323	4,135	14,544	14,076
Total Direct Costs of Rental Operations	11,050	9,719	30,866	57,399
Costs of Sales	7,284	11,825	17,830	24,035
Total Costs	18,334	21,544	48,716	81,434
Gross Margin	16,521	20,406	45,184	28,756
Selling and Administrative	5,623	5,084	16,873	17,103
Income from Operations	10,898	15,322	28,311	11,653
Interest	647	951	2,085	3,175
Income Before Provision for Income Taxes	10,251	14,371	26,226	8,478
Provision for Income Taxes	4,090	5,719	10,464	3,374
Income Before Minority Interest	6,161	8,652	15,762	5,104
Minority Interest in Income of Subsidiary	95	159	89	182
Net Income	\$6,066	\$8,493	\$15,673	\$4,922

Earnings Per Share:

Basic	\$0.50	\$0.68	\$1.29	\$0.39
Diluted	\$0.50	\$0.68	\$1.28	\$0.39

Shares Used in Per Share

Calculation:

Basic	12,080	12,483	12,127	12,462
Diluted	12,242	12,556	12,254	12,628

BALANCE SHEET DATA	September 30, 2003		December 31, 2002	
Rental Equipment, net		\$232,443		\$221,899
Total Assets		337,087		313,134
Notes Payable		55,961		55,523
Shareholders' Equity		138,684		139,019

SEGMENT DATA (UNAUDITED)	Modulars	Elec- tronics	Enviro- plex	Corporate (1)	Consoli- dated
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Three Months
Ended
September 30,

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	8,395	1,212	644	--	10,251
Rental Equipment Acquisitions	12,237	1,870	--	--	14,107
Accounts Receivable, net (period end)	32,656	3,943	5,791	--	42,390
Rental Equipment, at cost (period end)	303,021	36,509	--	--	339,530
Rental Equipment, net book value (period end)	214,374	18,069	--	--	232,443
Utilization (period end) (2)	85.8%	48.6%			
Average Utilization (2)	85.1%	47.1%			

2002					
Rental Revenues	\$16,717	\$3,485	\$--	\$--	\$20,202
Rental Related Services Revenues	4,337	146	--	--	4,483
Sales and Other Revenues	6,667	2,336	7,012	1,250	17,265
Total Revenues	27,721	5,967	7,012	1,250	41,950
Depreciation of Rental					

Equipment	1,729	1,493	--	--	3,222
Interest Expense (Income) Allocation	866	141	(56)	--	951
Income before Provision for Income Taxes	10,834	1,001	1,286	1,250	14,371
Rental Equipment Acquisitions	2,807	773	--	--	3,580
Accounts Receivable, net (period end)	30,889	3,647	5,828	--	40,364
Rental Equipment, at cost (period end)	286,887	42,208	--	--	329,095
Rental Equipment, net book value (period end)	201,656	23,666	--	--	225,322
Utilization (period end) (2)	86.4%	44.7%			
Average Utilization (2)	86.1%	43.2%			

SEGMENT DATA (UNAUDITED)	Modulars	Elec- tronics	Enviro- plex	Corporate (1)	Consoli- dated
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Nine Months Ended
September 30,

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
Impairment of Rental Equipment	--	--	--	--	--
Interest Expense (Income) Allocation	1,948	272	(135)	--	2,085
Income before Provision for Income Taxes	23,397	2,233	596	--	26,226
Rental Equipment Acquisitions	23,017	4,053	--	--	27,070
Accounts Receivable, net (period end)	32,656	3,943	5,791	--	42,390
Rental Equipment, at cost (period					

end)	303,021	36,509	--	--	339,530
Rental Equipment, net book value (period end)	214,374	18,069	--	--	232,443
Utilization (period end) (2)	85.8%	48.6%			
Average Utilization (2)	84.0%	45.2%			

2002					
Rental Revenues	\$49,664	\$12,488	\$--	\$--	\$62,152
Rental Related Services Revenues	12,342	431	--	--	12,773
Sales and Other Revenues	14,997	7,703	11,315	1,250	35,265
Total Revenues	77,003	20,622	11,315	1,250	110,190
Depreciation of Rental Equipment	5,165	7,162	--	--	12,327
Impairment of Rental Equipment	--	24,083	--	--	24,083
Interest Expense (Income) Allocation	2,705	634	(164)	--	3,175
Income before Provision for Income Taxes	29,239	(22,892)	1,474	657	8,478
Rental Equipment Acquisitions	14,051	2,099	--	--	16,150
Accounts Receivable, net (period end)	30,889	3,647	5,828	--	40,364
Rental Equipment, at cost (period end)	286,887	42,208	--	--	329,095
Rental Equipment, net book value (period end)	201,656	23,666	--	--	225,322
Utilization (period end) (2)	86.4%	44.7%			
Average Utilization (2)	86.0%	37.2%			

(1) Corporate includes nonrecurring items related to the terminated merger with Tyco International in 2002, which were 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.

CONTACT: McGrath RentCorp
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