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 3, 2006

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 August 3, 2006, McGrath RentCorp (the "Company") announced via press release the Company's results for its second quarter ended June 30, 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.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.	Description
99.1	Press Release of McGrath RentCorp, dated August 3, 2006.

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 3, 2006

By: /s/ Keith E. Pratt

Keith E. Pratt
Vice President and Chief Financial Officer

Exhibit 99.1

McGrath RentCorp Announces Results for Second Quarter 2006; Q2 EPS of $0.34; Rental Revenues Increase 12%

LIVERMORE, Calif.--(BUSINESS WIRE)--Aug. 3, 2006--McGrath RentCorp (NASDAQ:MGRC) today announced revenues for the quarter ended June 30, 2006, of $60.7 million, a decrease of 5%, compared to $63.9 million in the second quarter 2005. The Company reported net income for the second quarter 2006 of $8.7 million, or $0.34 per diluted share, compared to $9.5 million, or $0.38 per diluted share, in the second quarter 2005.

During the second quarter 2006, the Company recorded a $0.9 million reduction to the provision for income taxes, or $0.03 per diluted share, due to the reduction in the Company's deferred tax liability as a result of a franchise tax law change enacted by the state of Texas in May 2006. The reduction in taxes was partly offset by $0.7 million of non-cash stock compensation expense included in the second quarter 2006 results due to the adoption of Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment", ("SFAS No. 123R") effective January 1, 2006.

For the Company's Mobile Modular division, pre-tax income decreased 21% to $8.3 million from $10.5 million in the second quarter 2005. Rental revenues increased 10%, or $2.0 million to $21.6 million, offset by lower rental margins resulting in gross profit on rents decreasing 2% to $11.9 million from $12.2 million in second quarter 2005. Lower rental margins were the result of increased inventory center labor and material costs to prepare a higher volume of buildings to meet increased demand for commercial projects and California classroom inventory for the upcoming school year, and higher depreciation expense due to the 13% increase in average rental equipment. Sales revenues decreased $3.9 million with gross profit decreasing $0.6 million. Total gross profit decreased 3% from $16.6 million in second quarter 2005 to $16.2 million in second quarter 2006. Selling and administrative expenses increased $1.1 million to $5.9 million in the second quarter 2006, primarily due to higher personnel and benefit costs to support increased rental activity levels and $0.4 million of non-cash stock compensation expense related to the adoption of SFAS No. 123R. Allocated interest expense increased $0.7 million due to higher average interest rates and average debt levels to support higher rental equipment purchases.

For the Company's TRS-RenTelco division, pre-tax income was $4.7 million for the second quarter 2006 and 2005. Rental revenues increased 14% to $19.6 million compared to $17.2 million in the second quarter of 2005 with gross profit on rents increasing 29% to $8.2 million from $6.4 million in the second quarter 2005. Sales revenues decreased $3.9 million resulting in $1.1 million lower gross profit on sales due to lower used equipment sales volume as a result of having less underutilized rental equipment to sell. Selling and administrative expenses increased $0.2 million due primarily to non-cash stock compensation expense related to the adoption of SFAS No. 123R. Allocated interest expense increased $0.3 million due to higher average interest rates and average debt levels experienced by the Company.

"Second quarter results were below our expectations," stated Dennis Kakures, President & CEO. "Our results reflected a reduction in both modular and electronics equipment sales, the most difficult element in our businesses to forecast, and a reduction in gross profit on rents for modulars due to higher inventory center expenses. Based on our results to date and our current forecast for the remainder of the year, we are reducing our 2006 guidance range to $1.42 to $1.49 per diluted share.

"While we are disappointed in our results for the quarter, we are very pleased with the growth of rental revenues which is the key metric of our business. Rental revenues for electronics grew quarter over quarter at 14% and modulars at 10%. Strong growth in rental assets typically speaks very favorably of our outlook for higher rental revenue and profitability levels in the quarters ahead. Accordingly, thus far in 2006 we increased the original cost of rental assets by 14%, or $21 million for electronics and 8% or $31 million for modulars.

"TRS-RenTelco's second quarter rental revenue results are a reflection of the continuing improved market conditions that we spoke to during our first quarter conference call. We are continuing to see favorable market conditions in the third quarter to date. It's important to note that the increase in rental business activity levels is across a broad range of product segments and markets that we believe is reflective of an increasingly positive outlook for the longer term health of our test equipment rental business. We are proactively purchasing the latest technology test equipment to support the increased demand we are seeing.

"Pre-tax profit for TRS-RenTelco was flat compared to a year ago mainly due to lower sales levels as a result of having less underutilized equipment to sell. Sales levels can fluctuate quarter to quarter based upon available equipment, customer demand and funding. However, the success of our rental operations is what provides the most significant and consistent earnings horsepower. With the gross profit on rents increasing 29% to $8.2 million, our highest quarter since the merger, our electronics rental business is beginning to find its stride. As we have emphasized over the years, growth in rental revenues, assets and gross profit on rents provide the most visibility into the longer term earnings capability of our test equipment rental business.

"Mobile Modular's increase in rental revenues over the second quarter of 2005 is primarily related to classroom shipments in the third and fourth quarters of last year. We should experience a full 12 months of rental revenues in 2006 on the great majority of the classroom orders shipped in the second half of 2005. We had another strong first half of the year in classroom rentals and expanding our school customer base in the Florida market. Florida continues to have very favorable student population growth and will be active for many years ahead in implementing class size reduction for all grade levels. We are buying significant quantities of classrooms to support the demand for additional educational space in Florida.

"In California, we had satisfactory classroom rental booking levels during the first half of the year. However, as expected, they were not up to the level of the past few years due to the limited availability of state bond monies for school modernization projects. With the passage of a state-wide facilities bond measure in November 2006, we should see increased educational rental opportunities beginning in early 2007. The need to modernize schools in California continues to be high and we are positioning ourselves to take full advantage of the anticipated increased opportunity levels in 2007. Additionally, in the second quarter, we experienced a considerably higher level of commercial rental opportunities, mainly driven by increased business activity in residential and commercial construction. Our broad inventory and ability to customize buildings within our inventory centers enabled us to book a favorable level of commercial opportunities during the second quarter. We should see favorable rental revenue growth in the third quarter as a result of classroom shipments and the increased level of commercial rental activity.

"The decline in modulars pre-tax profit of 21% from a year ago stems chiefly from an increase in inventory center expenses and lower sales revenue.

"In the second quarter, we experienced approximately a $2 million increase in inventory center expenses. This resulted from our continued efforts in preparing off rent classroom inventory for future rental, as well as the increase in commercial business activity levels and the need to modify or convert equipment for specific applications. Additionally, due to increased market demand for commercial buildings, we employed a larger than normal number of subcontractors, at higher labor rates compared to our in-house staff. It's important to note that although the great majority of the expenses to prepare equipment are fully absorbed in our second quarter results, the rental revenue benefit will be recognized over the quarters ahead. We also experienced higher than customary field service expenses during the quarter. While field service issues occur from time to time, this was a larger than normal effort with the majority of expenses incurred in the second quarter. We should see marked improvement in our modular operating profit levels beginning in the third quarter with gross margin on rents expected to return to the 60% or higher range as inventory center expenses decline and rental revenues increase.

"Although modular sales revenues fell short of our expectations for the quarter, we do not believe this presents any significant concern for our modular business' longer-term earnings outlook. We view sales as a byproduct of being in the rental business and although we are actively engaged in selling both new and used equipment, we focus our sales force on rentals which carry approximately twice the margin as sales and provide a much more stable and enduring income stream. Rental revenue growth is truly our economic engine.

"The rental markets for both electronics and modulars continue to be very favorable as reflected in double-digit rental revenue growth for the quarter for each division and our level of investment in new rental assets year to date. Our focus on creating sustainable earnings growth over the long-term through an increasing base of rental customers and higher rental revenues remains steadfast."

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

-- Rental revenues increased 12% to $41.2 million. Within rental revenues, Mobile Modular increased 10% from $19.6 million to $21.6 million; TRS-RenTelco increased 14% from $17.2 million to $19.6 million.

-- Sales revenues decreased 42% to $11.8 million, resulting from lower sales volume at Mobile Modular, TRS-RenTelco and Enviroplex. Lower sales volume was offset by a higher gross margin percentage of 27.3% in 2006 compared to 26.3% in 2005, resulting in a gross profit decrease of $2.1 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 5% to $11.3 million, with Mobile Modular increasing 18% to $2.6 million from $2.2 million in 2005, and TRS-RenTelco increasing 2% to $8.7 million from $8.5 million in 2005.

-- Provision for income taxes was reduced $0.9 million during the second quarter 2006 to record the impact to the Company's deferred tax liability from a franchise tax law change enacted by the state of Texas in May 2006. As a result, the Company's effective tax rate was 32.1% for the second quarter 2006 compared with 38.0% during the same period in 2005. Excluding the impact of the Texas law change, the provision for income taxes was based on an effective tax rate of 39.0%.

-- Debt increased $13.0 million during the quarter to $189.5 million, with the Company's total liabilities to equity ratio increasing from 1.68 to 1 at March 31, 2006 to 1.71 to 1 as of June 30, 2006. As of June 30, 2006, the Company, under its lines of credit, had capacity to borrow an additional $65.5 million.

-- Dividend rate increased 14% to $0.16 per share for the second quarter 2006, as compared to $0.14 per share for the second quarter of 2005. On an annualized basis, this dividend represents a 2.4% yield on the August 2, 2006 close price of $26.35.

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 revises its previous full-year 2006 earnings guidance range of $1.50 to $1.60 to an updated range of $1.42 to $1.49 per diluted share. Such a forward-looking statement reflects McGrath RentCorp's expectations as of August 3, 2006. Actual 2006 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 6, 2006, McGrath RentCorp will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on August 3, 2006 to discuss the second quarter 2006 results. To participate in the teleconference, dial 1-800-218-0713 (in the U.S.), or 1-303-262-2130 (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 11064495

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 belief of a continuation of improving market conditions for our TRS-RenTelco business, including the increased demand for our test equipment; our belief that our electronics rental business is beginning to find its stride; our expectation of an increasingly positive outlook for the longer term health of our test equipment rental business; our expectation that growth in rental assets will result in higher rental revenue and profitability levels in the quarters ahead; our expectation that there will be continued demand for additional educational space in Florida; our expectation that there will be increased demand for commercial projects and California classroom inventory for the upcoming school year; our view that growth in rental revenues, assets and gross profit on rents provide the most visibility into the longer term earnings capability of our test equipment rental business; our expectation that we will experience a full 12 months of rental revenues in 2006 on the great majority of the classroom orders shipped in the second half of 2005; our expectation that Florida will be active for many years ahead in implementing class size reduction for all grade levels; our expectation that the need to modernize schools in California will result in increased opportunity levels in 2007; our expectation that the passage of a California state-wide facilities bond measure in November 2006 will lead to increased educational rental opportunities beginning in early 2007; our expectation that we should see favorable rental revenue growth in the third quarter as a result of classroom shipments and the increased level of commercial rental activity; our expectation that we will recognize over the quarters ahead, the rental revenue benefit from the expenses to prepare equipment that were fully absorbed in our second quarter results; our expectation that we will see marked improvement in our modular operating profit levels beginning in the third quarter with gross margin on rents expected to return to the 60% or higher range as inventory center expenses decline and rental revenues increase; and our belief that, modular sales revenues falling short of our expectations for the quarter does not present any significant concern for our modular business' longer-term earnings outlook. 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, economic conditions in the markets in which the Company conducts the majority of its business, fluctuations in interest rates and the Company's ability to manage credit risk, retention and motivation of key personnel, ability to finance expansion and to locate and consummate acquisitions, 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, and intense industry competition,. 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 STATEMENTS OF INCOME
(UNAUDITED)

(in thousands, except per share amounts)	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Six Months Ended June 30, 2006	Six Months Ended June 30, 2005
Revenues				
Rental	$41,168	$36,801	$ 80,839	$ 72,760
Rental Related Services	7,099	6,235	14,166	11,510
Rental Operations	48,267	43,036	95,005	84,270
Sales	11,769	20,135	22,267	31,107

Other	637	694	1,257	1,426
Total Revenues	60,673	63,865	118,529	116,803
Costs and Expenses				
Direct Costs of Rental Operations				
Depreciation of Rental Equipment	11,314	10,762	22,172	22,327
Rental Related Services	4,748	4,161	9,708	7,732
Other	9,763	7,479	17,769	14,724
Total Direct Costs of Rental Operations	25,825	22,402	49,649	44,783
Costs of Sales	8,559	14,844	15,888	22,408
Total Costs	34,384	37,246	65,537	67,191
Gross Profit	26,289	26,619	52,992	49,612
Selling and Administrative	10,802	9,420	22,536	18,981
Income from Operations	15,487	17,199	30,636	30,631
Interest	2,773	1,912	5,126	3,631
Income Before Provision for Income Taxes	12,714	15,287	25,510	27,000
Provision for Income Taxes	4,078	5,809	9,069	10,260
Income Before Minority Interest	8,636	9,478	16,441	16,740
Minority Interest in Income (Loss) of Subsidiary	(33)	12	(65)	97
Net Income	$ 8,669	$ 9,466	$ 16,506	$ 16,643
Earnings Per Share:				
Basic	$ 0.35	$ 0.38	$ 0.66	$ 0.68
Diluted	$ 0.34	$ 0.38	$ 0.66	$ 0.66
Shares Used in Per Share Calculation:				
Basic	24,956	24,627	24,911	24,600
Diluted	25,209	25,224	25,211	25,177

MCGRATH RENTCORP
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in thousands)	June 30, 2006	Dec. 31, 2005
Assets		
Cash	$ 385	$ 276
Accounts Receivable, net of allowance for doubtful accounts of $1,000 in 2006 and 2005	53,644	63,702
Rental Equipment, at cost:		
Relocatable Modular Buildings	439,615	408,227
Electronic Test Equipment	175,633	154,708
	615,248	562,935
Less Accumulated Depreciation	(172,648)	(156,502)
Rental Equipment, net	442,600	406,433
Property, Plant and Equipment, net	56,461	56,008
Prepaid Expenses and Other Assets	17,650	16,019
Total Assets	$ 570,740	$ 542,438

Liabilities and Shareholders' Equity

Liabilities:		
Notes Payable	$ 189,500	$ 163,222
Accounts Payable and Accrued Liabilities	49,259	51,690
Deferred Income	19,936	27,410
Minority Interest in Subsidiary	3,134	3,199
Deferred Income Taxes, net	98,307	98,438
Total Liabilities	360,136	343,969
Shareholders' Equity:		
Common Stock, no par value - Authorized -- 40,000 shares Issued and Outstanding -- 24,964 shares in 2006 and 24,832 shares in 2005	29,839	26,224
Retained Earnings	180,765	172,245
Total Shareholders' Equity	210,604	198,469
Total Liabilities and Shareholders' Equity	$ 570,740	$ 542,438

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(in thousands)	Six Months Ended June 30, 2006	2005
Cash Flows from Operating Activities:		
Net Income	$ 16,506	$ 16,643
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	23,223	23,477
Provision for Doubtful Accounts	171	219
Non-Cash Stock Compensation	1,548	--
Gain on Sale of Rental Equipment	(4,134)	(4,910)
Change In:		
Accounts Receivable	9,887	(8,265)
Prepaid Expenses and Other Assets	(1,631)	(887)
Accounts Payable and Accrued Liabilities	4,375	(1,420)
Deferred Income	(7,474)	(4,579)
Deferred Income Taxes	(131)	5,392
Net Cash Provided by Operating Activities	42,340	25,670
Cash Flows from Investing Activities:		
Purchase of Rental Equipment	(71,047)	(49,272)
Purchase of Property, Plant and Equipment	(1,505)	(1,098)
Proceeds from Sale of Rental Equipment	9,457	15,481
Net Cash Used in Investing Activities	(63,095)	(34,889)
Cash Flows from Financing Activities:		
Net Borrowings Under Bank Lines of Credit	26,268	14,112
Proceeds from the Exercise of Stock Options	1,441	1,265
Excess Tax Benefit from Exercise and Disqualifying Disposition of Stock Options	626	428
Payment of Dividends	(7,471)	(6,146)
Net Cash Provided by Financing Activities	20,864	9,659
Net Increase in Cash	109	440
Cash Balance, beginning of period	276	189
Cash Balance, end of period	$ 385	$ 629

Interest Paid, during the period	$ 5,017	$ 3,637
Income Taxes Paid, during the period	$ 8,573	$ 5,592
Dividends Declared, not yet paid	$ 3,994	$ 3,452
Rental Equipment Acquisitions, not yet paid	$ 7,308	$ 9,842

Mobile Modular - Q2 2006 compared to Q2 2005 (Unaudited)

(dollar amounts in thousands)	Three Months Ended June 30,		Increase (Decrease)	
	2006	2005	$	%
Revenues				
Rental Revenues	$ 21,602	$ 19,586	$ 2,016	10%
Rental Related Services	6,779	5,811	968	17%
Rental Operations	28,381	25,397	2,984	12%
Sales	7,332	11,185	(3,853)	-34%
Other	178	161	17	11%
Total Revenues	$ 35,891	$ 36,743	$ (852)	-2%
Gross Profit				
Rental Revenues	$ 11,858	$ 12,158	$ (300)	-2%
Rental Related Services	2,397	1,891	506	27%
Rental Operations	14,255	14,049	206	1%
Sales	1,793	2,439	(646)	-26%
Other	178	161	17	11%
Total Gross Profit	$ 16,226	$ 16,649	$ (423)	-3%
Pre-tax Income	$ 8,301	$ 10,493	$ (2,192)	-21%
Other Information				
Depreciation of Rental Equipment	$ 2,618	$ 2,228	$ 390	18%
Interest Expense Allocation	2,043	1,363	680	50%
Average Rental Equipment (1)	$ 372,051	$ 329,024	$ 43,027	13%
Average Rental Equipment on Rent (1)	307,599	281,787	25,812	9%
Average Monthly Total Yield (2)	1.94%	1.98%		-2%
Average Utilization (3)	82.7%	85.6%		-3%
Average Monthly Rental Rate (4)	2.34%	2.32%		1%
Period End Rental Equipment (1)	$ 375,227	$ 337,564	$ 37,663	11%
Period End Utilization (3)	83.3%	85.9%		-3%
Period End Floors (1)	23,422	21,666	1,756	8%

(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 rents 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 rents by the cost of rental equipment on rent, for the period.

TRS-RenTelco - Q2 2006 compared to Q2 2005 (Unaudited)

(dollar amounts in thousands)	Three Months Ended June 30, 2006	2005	Increase (Decrease) $	%
Revenues				
Rental Revenues	$ 19,566	$ 17,215	$ 2,351	14%
Rental Related Services	320	424	(104)	-25%
Rental Operations	19,886	17,639	2,247	13%
Sales	3,223	7,135	(3,912)	-55%
Other	459	533	(74)	-14%
Total Revenues	$ 23,568	$ 25,307	$(1,739)	-7%
Gross Profit				
Rental Revenues	$ 8,233	$ 6,402	$ 1,831	29%
Rental Related Services	(46)	183	(229)	-125%
Rental Operations	8,187	6,585	1,602	24%
Sales	1,127	2,191	(1,064)	-49%
Other	459	533	(74)	-14%
Total Gross Profit	$ 9,773	$ 9,309	$ 464	5%
Pre-tax Income	$ 4,688	$ 4,717	$ (29)	-1%
Other Information				
Depreciation of Rental Equipment	$ 8,696	$ 8,534	$ 162	2%
Interest Expense Allocation	862	600	262	44%
Average Rental Equipment (1)	$167,478	$149,771	$17,707	12%
Average Rental Equipment on Rent (1)	119,061	96,278	22,783	24%
Average Monthly Total Yield (2)	3.89%	3.83%		2%
Average Utilization (3)	71.1%	64.3%		11%
Average Monthly Rental Rate (4)	5.48%	5.96%		-8%
Period End Rental Equipment (1)	$173,910	$150,032	$23,878	16%
Period End Utilization (3)	71.3%	66.5%		7%

(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 rents 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 rents by the cost of rental equipment on rent, for the period.

Mobile Modular - Six Months Ended 6/30/06 compared to Six Months Ended 6/30/05 (Unaudited)

(dollar amounts in thousands)	Six Months Ended June 30, 2006	2005	Increase (Decrease) $	%
Revenues				
Rental Revenues	$ 43,010	$ 38,612	$ 4,398	11%
Rental Related Services	13,545	10,779	2,766	26%

Rental Operations	56,555	49,391	7,164	15%
Sales	12,095	13,781	(1,686)	-12%
Other	361	300	61	20%
Total Revenues	$ 69,011	$ 63,472	$ 5,539	9%
Gross Profit				
Rental Revenues	$ 25,234	$ 24,530	$ 704	3%
Rental Related Services	4,635	3,532	1,103	31%
Rental Operations	29,869	28,602	1,807	6%
Sales	3,135	3,396	(261)	-8%
Other	361	300	61	20%
Total Gross Profit	$ 33,365	$ 31,758	$ 1,607	5%
Pre-tax Income	$ 17,364	$ 19,786	$ (2,422)	-12%
Other Information				
Depreciation of Rental Equipment	$ 5,138	$ 4,392	$ 746	17%
Interest Expense Allocation	3,789	2,575	1,214	47%
Average Rental Equipment (1)	$370,418	$326,363	$44,055	13%
Average Rental Equipment on Rent (1)	306,861	279,693	21,168	10%
Average Monthly Total Yield (2)	1.94%	1.97%		-2%
Average Utilization (3)	82.8%	85.7%		-3%
Average Monthly Rental Rate (4)	2.34%	2.30%		2%
Period End Rental Equipment (1)	$375,227	$337,564	$37,663	11%
Period End Utilization (3)	83.3%	85.9%		-3%
Period End Floors (1)	23,422	21,666	1,756	8%

(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 rents 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 rents by the cost of rental equipment on rent, for the period.

TRS-RenTelco - Six Months Ended 6/30/06 compared to Six Months Ended 6/30/05 (Unaudited)

(dollar amounts in thousands)	Six Months Ended June 30,		Increase (Decrease)	
	2006	2005	$	%
Revenues				
Rental Revenues	$ 37,829	$ 34,148	$ 3,681	11%
Rental Related Services	621	731	(110)	-15%
Rental Operations	38,450	34,879	3,571	10%
Sales	7,702	13,219	(5,517)	-42%
Other	896	1,126	(230)	-20%
Total Revenues	$ 47,048	$ 49,224	$ (2,176)	-4%
Gross Profit				
Rental Revenues	$ 15,664	$ 11,179	$ 4,485	40%
Rental Related Services	(177)	246	(423)	-172%

Rental Operations	15,487	11,425	4,062	36%
Sales	2,841	3,683	(842)	-23%
Other	896	1,126	(230)	-20%
Total Gross Profit	$ 19,224	$ 16,234	$ 2,990	18%
Pre-tax Income	$ 8,680	$ 6,653	$ 2,027	30%

Other Information

Depreciation of Rental Equipment	$ 17,034	$ 17,935	$ (901)	-5%
Interest Expense Allocation	1,580	1,172	408	35%
Average Rental Equipment (1)	$ 162,457	$149,720	$ 12,737	9%
Average Rental Equipment on Rent (1)	114,143	94,501	19,642	21%
Average Monthly Total Yield (2)	3.88%	3.80%		2%
Average Utilization (3)	70.3%	63.1%		11%
Average Monthly Rental Rate (4)	5.52%	6.02%		-8%
Period End Rental Equipment (1)	$ 173,910	$150,032	$ 23,878	16%
Period End Utilization (3)	71.3%	66.5%		7%

(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 rents 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 rents by the cost of rental equipment on rent, for the period.

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