RSC Holdings Inc.
Form S-1
February 13, 2007

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As filed with the Securities and Exchange Commission on February 12, 2007

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RSC HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Delaware	**7514**	**22-1669012**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

6929 E. Greenway Parkway
Scottsdale, AZ 85254
(480) 905-3300

(Address, including ZIP Code, and telephone number, including area code, of registrant s principal executive offices)

Kevin J. Groman, Esq.
Senior Vice President, General Counsel and Corporate Secretary
RSC Holdings Inc.
6929 E. Greenway Parkway
Scottsdale, AZ 85254
(480) 905-3300
(Name, address, including ZIP Code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities of an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, without par value	$300,000,000	$32,100

(1) Includes offering price of shares which the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Subject to Completion. Dated February 12, 2007.

Shares

RSC Holdings Inc.

Common Stock

This is an initial public offering of shares of common stock of RSC Holdings Inc., which we refer to in this prospectus as RSC Holdings. RSC Holdings is offering shares to be sold in this offering.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $ and $. RSC Holdings intends to apply to list the common stock on the NYSE under the symbol .

Investing in our common stock involves risks. See Risk Factors beginning on page 13.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to RSC Holdings	$	$

We have granted the underwriters a 30-day option to purchase up to an additional shares from us on the same terms and conditions as set forth above if the underwriters sell more than shares of common stock in this offering.

The underwriters expect to deliver the shares against payment in New York, New York on , 2007.

Deutsche Bank Securities **Morgan Stanley** **Lehman Brothers**

Prospectus dated , 2007.

We have not authorized anyone to give you any information or to make any representations about the transactions we discuss in this prospectus other than those contained in this prospectus, any free writing prospectus prepared by us or any other information to which we have specifically referred you. If you are given any information or representation about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell anywhere or to anyone where or to whom we are not permitted to offer to sell securities under applicable law.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

We have filed with the U.S. Securities and Exchange Commission, or the Commission, a registration statement on Form S-1 under the Securities Act with respect to the common stock offered by this prospectus. This prospectus, filed as part of the registration statement, does not contain all the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the Commission. For further information about us and our common stock, we refer you to the registration statement and to its exhibits and schedules. With respect to statements in this prospectus about the contents of any contract, agreement or other document, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, and each such statement is qualified in all respects by reference to the document to which it refers.

The public may read and copy any reports or other information that we and our subsidiaries file with the Commission. Such filings are available to the public over the Internet at the Commission s website at http://www.sec.gov. The Commission s website is included in this prospectus as an inactive textual reference only. You may also read and copy any document that we file with the Commission at its public reference room at 100 F Street, N.E., Washington D.C. 20549. You may obtain information on the operation of the public reference room by calling the Commission at 1-800-SEC-0330.

RSC®, RSC Online®, RSC Equipment Rental® and Total Control® are four of our many trademarks. This prospectus also refers to brand names, trademarks or service marks of other companies. All brand names and other trademarks or service marks cited in this prospectus are the property of their respective holders.

Our website http://www.rscrental.com is included in this prospectus as an inactive textual reference only.

Unless the context otherwise requires, in this prospectus, (i) RSC Holdings, formerly known as Atlas Copco North America Inc., or ACNA , means RSC Holdings Inc., the issuer of the common stock offered by this prospectus and the ultimate parent company of our operating subsidiaries, (ii) RSC means Rental Service Corporation, our primary operating company and an indirect wholly owned subsidiary of RSC Holdings, (iii) ACAB means Atlas Copco AB, *(iv) ACF means Atlas Copco Finance S.à.r.l., (v) we, us and our mean RSC Holdings and its consolidated subsidiaries, including RSC, (vi) Ripplewood means RSC*

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Acquisition LLC and RSC Acquisition II LLC, (vii) Oak Hill means OHCP II RSC, LLC, OHCMP II RSC, LLC and OHCP II RSC COI, LLC, (viii) the Sponsors means Ripplewood and Oak Hill, (ix) equipment means industrial, construction and material handling equipment, (x) Notes and Senior Notes refer to the 91/2% Senior Notes issued and sold by Rental Service Corporation and RSC Holdings III, LLC on November 27, 2006, (xi) EBITDA means consolidated net income before consolidated net interest expense, consolidated income taxes and consolidated depreciation and amortization, (xii) Adjusted EBITDA means EBITDA as that term is defined under RSC s senior credit facilities, which is generally consolidated net income before consolidated net interest expense, consolidated income taxes, consolidated depreciation and amortization and before certain other items, in each case as more fully described in the agreements governing RSC s senior credit facilities, (xiii) we assume no exercise of the underwriters option to purchase additional shares pursuant to the overallotment option, (xiv) we assume that we will issue shares of common stock in this offering, (xv) the information included herein does not give effect to (a) the sale by RSC Holdings in December 2006 of its common stock to and (b) the shares of RSC Holdings common stock underlying the stock options granted to, certain of its officers, or trusts of which its officers were beneficiaries, which we refer to as the Management Offerings and (xvi) share information gives effect to a for stock split to be effected prior to the completion of this offering.

We have applied to change the name of Rental Service Corporation to RSC Equipment Rental, Inc. and Rental Service Corporation of Canada Ltd., a wholly owned subsidiary of Rental Service Corporation, to RSC Equipment Rental of Canada Ltd.

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SUMMARY

This summary highlights information appearing elsewhere in this prospectus. You should carefully read the entire prospectus, including the section entitled Risk Factors, beginning on page 13 and our financial statements and notes to those financial statements included elsewhere in this prospectus before making any investment decision.

Our Company

We are one of the largest equipment rental providers in North America. As of September 30, 2006, we operate through a network of 452 rental locations across nine regions in the United States and parts of Canada, including the high growth Sunbelt and Gulf Coast regions. We believe we are the largest or second largest equipment rental provider in the majority of the regions in which we operate. During the eighteen months ended September 30, 2006, we serviced approximately 480,000 customers primarily in the non-residential construction and industrial markets. For the twelve months ended September 30, 2006, we generated approximately 82% of our revenues from equipment rentals, and we derived the remaining 18% of our revenues from sales of used equipment and other related items. We believe our focus on high margin rental revenues, active fleet management and superior customer service has enabled us to achieve significant market share gains exclusively through organic growth while sustaining attractive returns on capital employed. Through September 30, 2006, we experienced positive same store, year-over-year rental revenue growth for the last 13 consecutive quarters, with same store rental revenue growth of approximately 12%, 18% and 21% and operating income growth of approximately 76%, 44% and 46% in 2004, 2005 and the nine months ended September 30, 2006, respectively.

We rent a broad selection of equipment, mainly to industrial and non-residential construction companies, ranging from large equipment such as backhoes, forklifts, air compressors, scissor lifts, booms and skid-steer loaders to smaller items such as pumps, generators, welders and electric hand tools. As of September 30, 2006, our rental fleet had an original equipment cost of $2.3 billion covering over 1,400 categories of equipment. We strive to differentiate our offerings through superior levels of equipment availability, reliability and service, and the strength of our fleet lies in its age, condition and diversity. We believe our fleet is the youngest and best maintained in the industry among our key competitors, with an average fleet age of 24.6 months as of September 30, 2006. Our young fleet age provides us with significant operational flexibility, and we actively manage the condition of our fleet in order to provide customers with well maintained and reliable equipment and to support our premium pricing strategy. Our disciplined fleet management strategy enables us to maintain pricing discipline and optimize fleet utilization and capital expenditures. As a result, we have a high degree of equipment sharing and mobility within regions. This enables us to increase equipment utilization and react quickly by adjusting the fleet size in response to changes in customer demand. In addition to our equipment rental operations, we sell used equipment, parts, merchandise and supplies for maintenance, repair and operations.

Industry Overview

According to industry sources, the equipment rental market in the United States was a $29.3 billion industry in 2005 and experienced a 10.4% compound annual growth rate between 1990 and 2005. This market is expected to grow to $32.5 billion by the end of 2007. The equipment rental industry encompasses a wide range of rental equipment from small tools to heavy earthmoving equipment, and growth is largely driven by two key factors. First, there is an increasing trend towards renting versus purchasing equipment. The penetration rate for equipment rental in the United States has expanded in line with the increasing recognition of the benefits that equipment rental offers compared to equipment ownership. Industry sources

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estimate there has been an overall growth in rental industry penetration from 5% of total equipment deployed in 1993 to 35% in 2005. Second, the industry has experienced growth in its primary end-markets, which comprise the non-residential construction and industrial markets.

The equipment rental industry remains highly fragmented, with large numbers of companies operating on a regional or local scale and the top 10 companies combined accounting for less than 30% of the market by 2005 rental revenues. We expect the larger rental companies to increase their market share by continuing to offer a wide range of high quality and reliable equipment available for rent. The outlook for the equipment rental industry is expected to remain strong, due to such positive macroeconomic factors as:

- the continuing trend toward rental instead of ownership;
- continued growth in non-residential building construction spending, which, according to Maximus Advisors, is expected to grow 9.3% in 2007; and
- increased capital investment by industrial companies.

Furthermore, the reconstruction efforts in the Gulf Coast have resulted in increased regional demand for rental equipment, which we expect to continue in the near future assuming reconstruction efforts continue.

Competitive Strengths

We believe that the following strengths provide us with significant competitive advantages and the opportunity to achieve continued growth and profitability:

Leading North American equipment rental provider with national footprint and significant scale. We are one of the largest equipment rental providers in North America and we believe we are the largest or second largest equipment rental provider in the majority of the regions in which we operate. As of September 30, 2006, we operate through a network of 452 rental locations in 39 U.S. states and 4 Canadian provinces, including the high growth Sunbelt and Gulf Coast regions. Our scale and strong national footprint enable us to effectively service our customers in multiple geographic locations as well as our customers with exclusively local needs. In addition, the depth and breadth of our offerings enable us to service the majority of the equipment rental needs of our customers across multiple market segments. We believe that our broad geographical footprint reduces the impact of regional economic downturns and seasonal fluctuations in demand, and enables us to take advantage of growth opportunities, including those arising from the fragmented nature of the U.S. equipment rental industry. In addition, we believe our size and market presence allow us to achieve economies of scale in capital investment.

High quality rental fleet. We believe our diverse equipment fleet is the youngest, best maintained and most reliable in the industry among our key competitors. At September 30, 2006, our rental fleet had an original equipment cost of approximately $2.3 billion and an average fleet age of 24.6 months, compared to $1.7 billion and 44 months, respectively, at the end of 2003. We employ a rigorous preventive maintenance and repair program to maximize the reliability, utilization and useful life of our fleet. In September 2006, 97.4% of our fleet was current on its manufacturer s recommended preventive maintenance, resulting in high fleet reliability levels and high levels of our fleet being available to customers for rent. Because our fleet is young, well maintained and reliable, we expect to be able to support our premium pricing strategy and broaden our customer base. In addition, we believe that our fleet s young age and condition enable us to withstand cyclical downturns in our industry better than our competitors due to our ability to reduce capital expenditures on new equipment without compromising the quality of the equipment we offer to customers.

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Highly disciplined fleet management and procurement process. Our highly disciplined approach to acquiring, deploying, sharing, maintaining and divesting fleet represents a key competitive advantage and is the main reason that we believe we lead the industry in profitability and return on invested capital. As of September 30, 2006, we invested approximately $2.0 billion in new fleet since the beginning of 2003 to meet customer demand and to optimize the diversity and condition of our fleet. Our fleet utilization increased from 57% for the twelve months ended September 30, 2002 to over 72% for the twelve months ended September 30, 2006. We believe that our centralized fleet management strategy is a key driver of the success of our fleet management process. Our strategy facilitates the fluid transfer of our fleet among regions to adjust to local customer demand. We base our fleet investment decisions on locally forecasted quarterly rental revenues, target utilization levels and targeted rental rates. Our corporate fleet management approves fleet investments if the investments are projected to meet pre-specified return thresholds and the requirements cannot be satisfied through fleet redeployment. In addition, we utilize advanced management information systems to continuously monitor the profitability of our equipment fleet and our branches, including customer and transaction data, such as equipment rental rates and utilization. We also seek to maintain a disciplined and consolidated approach to supplier vendor negotiations by making equipment purchases continuously throughout the year rather than through long term purchase agreements. By avoiding long term supply contracts and placing equipment orders on a quarterly basis, we are better able to manage the size of the fleet, profitably grow market share and make real-time decisions based on efficiency and return requirements.

Superior customer service. Senior management is committed to creating a customer focused culture, and we spend significant time and resources to train our personnel to effectively service our customers. We utilize innovative service offerings, including Total Control, a proprietary software system available to customers for management of their rented and owned equipment fleet and services, and an in-house 24/7 call center. We also maintain a proprietary dispatch system combined with a GPS equipped truck fleet for efficient delivery and pick-up processes. We regularly solicit feedback from our customers through focus groups and annual telephone surveys with approximately 23,000 calls to customers. We believe that these customer initiatives help support our premium pricing strategy, and we estimate that a substantial portion of our total revenues for the nine months ended September 30, 2006 was derived from existing customers.

Diverse and stable customer base. We serviced over 480,000 customers during the eighteen months ended September 30, 2006, primarily in the non-residential construction and industrial markets, and customers from these markets accounted for 94% of our total revenues for the twelve months ended September 30, 2006. Our customers represent a wide variety of industries, such as the non-residential construction, petrochemical, paper/pulp and food processing industries. We have long and stable relationships with most of our customers, including relationships in excess of 10 years with the majority of our top 20 customers. We continue to diversify our customer base by growing our long-standing presence in the industrial market. During the twelve months ended September 30, 2006, no one customer accounted for more than 1.5% of our total revenues and our top 10 customers combined represented approximately 7% of our total revenues.

Decentralized organizational structure drives local business. We believe our ability to respond quickly to our customers demands is a key to profitable growth, and our highly decentralized organizational structure facilitates our ability to effectively service our customers in each of our local markets. We are organized in three geographic divisions across the United States and parts of Canada, each overseeing three regions. Each of our nine regions has a regional vice president responsible for operations and profitability and each region is split into districts headed by district managers typically overseeing five to six stores, each managed by a store manager. Compensation for each of these management employees is based on local results, targeted operating margins and rental revenue growth and accountability is maintained on a daily basis through our operating systems, which provide real time information on key operational and financial metrics, and monthly reviews of financial performance. We also conduct formal management review meetings every four months to assess operational and financial objectives, develop near-term strategy and discuss personnel development. Since 2001, our decentralized management structure has focused exclusively on organic growth, resulting in same store rental revenue growth of approximately 12% in 2004, 18% in 2005 and 21% in the nine months ended September 30, 2006.

Experienced and proven management team. Our executive management team has significant experience operating businesses in capital intensive industries and has a successful track record of delivering strong financial results and significant operational efficiencies. Since 2001, our management team has transformed our operational and financial performance by focusing on capital efficiency and returns, investments in human and capital resources, brand development and the redesign and implementation of significantly improved internal processes, including processes for managing our fleet, operating our stores and pricing our offerings. Our current management team led the effort to decentralize the business into nine regions, allowing regional leadership to take responsibility for regional profit and loss, thereby improving customer service and results. Under our management team s leadership, our operating income margins increased from 10.4% in 2003 to 26.1% for the nine months ended September 30, 2006. Supporting our management team s initiatives is a highly motivated and experienced group of nine regional vice presidents with an average of approximately 17 years of industry experience.

Business Strategy

Increase market share and pursue profitable growth. We believe that our high quality fleet, large scale and national footprint and superior customer service position us to continue to gain market share in the highly fragmented U.S. equipment rental market. We intend to take advantage of the opportunities for profitable growth within the North American equipment rental market by:

continuing to drive the profitability of existing stores and pursuing same store growth;

continuing to invest in and maintain our high quality fleet to meet local customer demands;

leveraging our reputation for superior customer service to increase our customer base;

increasing our market penetration by opening new stores in targeted growth markets, many of which will be adjacent to current operations, which will allow us to leverage existing infrastructure and customer relationships;

increasing our presence in complementary rental and service offerings, many of which can be offered from our existing locations and provide incremental opportunities to increase same store revenues, margins and return on investment;

continuing to align incentives for local management teams with both profit and growth targets; and

pursuing selected acquisitions in attractive markets, subject to economic conditions.

Further drive profitability, cash flow and return on capital. We believe there are opportunities to further increase the profitability of our operations by continuing to:

focus on the higher margin rental business;

actively manage the quality, reliability and availability of our fleet and offer superior customer service, which supports our premium pricing strategy;

evaluate each new investment in fleet based on strict return guidelines;

deploy and allocate fleet among our operating regions based on pre-specified return thresholds to optimize utilization; and

use our size and market presence to achieve economies of scale in capital investment.

Further enhance our industry leading customer service. We believe that our position as a leading provider of rental equipment to our customers is driven in large part by our superior customer service and our reputation for such service. We intend to maintain our reputation, which we believe will allow us to further expand our customer base and increase our share of the fragmented U.S. equipment rental market, by continuing to:

meet our customers demands for superior fleet quality, availability and reliability;

recruit, train and retain a high quality work force able to forge strong relationships with customers;

provide customers with comprehensive and responsive service, including through our in-house 24/7 call center; and

solicit customer feedback through focus groups and customer satisfaction telephone surveys to continuously improve our customer service.

Our Principal Stockholders

The Sponsors and ACF currently own approximately 85% and 14%, respectively, of our outstanding common stock and, following the completion of this offering and assuming that the underwriters do not exercise their option to purchase additional shares, they will continue to own approximately % and %, respectively, of our outstanding common stock.

Of the ten members currently serving on our Board of Directors, eight are principals of the Sponsors, four from each of Ripplewood and Oak Hill. Under the terms of an amended and restated stockholders agreement to be entered into among RSC Holdings, the Sponsors and ACF in connection with this offering, or the Amended and Restated Stockholders Agreement, the Sponsors will each have certain rights regarding the nomination of candidates for election to our Board of Directors. Upon completion of this offering, the Sponsors will continue to have the right to nominate a majority of the members of our Board of Directors. In addition, this agreement will continue to provide rights and restrictions with respect to certain transactions in our securities entered into by the Sponsors.

Ripplewood Holdings L.L.C.

Founded in 1995, Ripplewood Holdings L.L.C. manages over $4 billion and makes industry-focused leveraged investments through several institutional private equity funds. To date, the firm has invested in transactions valued at over $15 billion in the U.S., Asia and Europe. Significant investments, other than in connection with the Sponsors investment in RSC Holdings, include ICM Equipment Company, Asbury Automotive Group, Kraton Polymers, Japan Telecom, Shinsei Bank, Commercial International Bank, Time-Life, Saft Power Systems, and Supresta. RSC Acquisition, LLC and RSC Acquisition II, LLC are special purpose entities formed by Ripplewood Holdings L.L.C.

(which includes Ripplewood Partners II, LP, Ripplewood Partners II Parallel Fund, LP, and Ripplewood Partners II Offshore Parallel Fund, LP) for the purposes of Ripplewood Holdings L.L.C. s investment in RSC Holdings.

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Oak Hill Capital Partners

Oak Hill Capital Partners is a private equity firm with more than $4.6 billion of committed capital from leading entrepreneurs, endowments, foundations, corporations, pension funds and global financial institutions. Robert M. Bass is the lead investor. Over a period of nearly 20 years, the professionals at Oak Hill Capital Partners have invested in more than 50 significant private equity transactions. Investments, other than in connection with the Sponsors investment in RSC Holdings, include Williams Scotsman, TravelCenters of America, EXL Services, Duane Reade, Primus International, Progressive Molded Products, and Genpact. Oak Hill Capital Partners is one of several Oak Hill partnerships, each of which has a dedicated and independent management team. These partnerships comprise over $20 billion of investment capital across multiple asset classes, including private equity, special situations, high yield and bank debt, venture capital, real estate, a public equity exchange fund and a global fixed income and equity hedge fund (the Oak Hill Partnerships). OHCP II RSC, LLC, OHCMP II RSC, LLC and OHCP II RSC COI, LLC are special purpose entities formed by Oak Hill Capital Partners II, L.P. (one of the Oak Hill Capital Partnerships) and related entities for the purposes of Oak Hill Capital Partners investment in RSC Holdings.

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RSC Holdings is incorporated under the laws of the state of Delaware. Our corporate headquarters are located at 6929 E. Greenway Parkway, Scottsdale, Arizona 85254. Our telephone number is (480) 905-3300.

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The Offering

Common stock offered	shares of common stock, without par value, of RSC Holdings, or our common stock.
Shares of common stock offered by RSC Holdings	
Shares of common stock outstanding after the offering	
Option to purchase additional shares of common stock	The underwriters have a 30-day option to purchase up to shares of our common stock.
Use of proceeds	Our net proceeds from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately $ million (or $ million if the overallotment option is exercised in full), assuming an offering price equivalent to the midpoint of the range set forth on the cover page of this prospectus. We intend to use the net proceeds of this offering to repay $ of our existing indebtedness with the remainder to be used for general corporate purposes.
Dividend policy	We do not expect to pay dividends on our common stock for the foreseeable future.
Proposed New York Stock Exchange symbol	

shares of our common stock will be outstanding after this offering.

Risk Factors

You should consider carefully all of the information set forth in this prospectus and, in particular, the information under the heading Risk Factors beginning on page 13 for risks involved in investing in our common stock.

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Summary Historical And Unaudited Pro Forma Financial Data

The following table presents summary historical and unaudited pro forma consolidated financial information. The unaudited summary condensed consolidated statements of income data for the nine months ended September 30, 2005 and September 30, 2006 and the unaudited condensed consolidated balance sheet data as of September 30, 2006 presented below were derived from our unaudited interim consolidated financial statements and the related notes thereto included in this prospectus. The summary consolidated statements of income data for each of the years in the three-year period ended December 31, 2005 presented below were derived from our audited annual consolidated financial statements and the related notes thereto included in this prospectus. The unaudited operating results for the nine months ended September 30, 2005 and 2006 include all adjustments (consisting only of normal recurring adjustments) that we consider necessary for a fair statement of the results for such interim periods. The unaudited interim results are not necessarily an indication of the results for the full year. The unaudited pro forma as adjusted financial data below for the twelve months ended September 30, 2006 reflect adjustments to our historical financial data to give effect to (i) the Recapitalization (as defined in Recent Transactions The Recapitalization) and the use of the net proceeds therefrom and (ii) the sale of the common stock offered by this prospectus at an assumed initial offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, and the use of net proceeds therefrom as if such transactions had occurred on January 1, 2005 for income statement purposes. The unaudited pro forma as adjusted financial data below as of September 30, 2006 reflect adjustments to our historical financial data to give effect to (i) the Recapitalization and the use of the net proceeds therefrom and (ii) the sale of the common stock offered by this prospectus at an assumed initial offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, and the use of the net proceeds therefrom as if such transactions had occurred on September 30, 2006 for balance sheet purposes.

We calculate earnings per share on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering with respect to the existing shares.

You should read the following summary historical and pro forma financial data in conjunction with the historical financial statements and other financial information appearing elsewhere in this prospectus, including Capitalization, Unaudited Pro Forma Condensed Consolidated Financial Statements, Selected Historical Consolidated Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations.

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	Historical					Pro Forma for the Recapitalization for the Twelve Months Ended September 30, 2006	Pro Forma for the Recapitaliza and as adjusted for the Offering for the Twelve Months Ended September 2006
	Year Ended December 31,			Nine Months Ended September 30,			
	2003	2004	2005	2005	2006		
	($ in thousands)						
tatement of income data:							
evenues:							
quipment rental revenue	$ 899,203	$ 984,517	$ 1,140,329	$ 825,401	$ 1,008,646	$ 1,323,574	$
ale of merchandise	178,374	162,720	102,894	77,005	70,773	96,662	
ale of used rental equipment	140,424	181,486	217,534	161,067	147,893	204,360	
otal revenues	1,218,001	1,328,723	1,460,757	1,063,473	1,227,312	1,624,596	
ost of revenues:							
ost of equipment rentals, xcluding depreciation	494,056	492,323	527,208	390,833	436,339	572,714	
epreciation rental equipment	187,859	192,323	212,325	156,358	186,277	242,244	
ost of sales of merchandise	138,056	122,873	69,914	52,777	43,649	60,787	
ost of rental equipment sales	110,458	147,131	173,276	129,589	112,889	156,575	
otal cost of revenues	930,429	954,650	982,723	729,557	779,154	1,032,320	
ross profit	287,572	374,073	478,034	333,916	448,158	592,276	
ther operating expenses:							
elling, general, and dministrative							