

UNITED RENTALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2013	2012
Revenues:		
Equipment rentals	\$ 916	\$ 523
Sales of rental equipment	123	76
Sales of new equipment	21	18
Contractor supplies sales	20	18
Service and other revenues	20	21
Total revenues	1,100	656
Cost of revenues:		
Cost of equipment rentals, excluding depreciation	393	246
Depreciation of rental equipment	202	115
Cost of rental equipment sales	83	47
Cost of new equipment sales	17	15
Cost of contractor supplies sales	13	12
Cost of service and other revenues	7	8
Total cost of revenues	715	443
Gross profit	385	213
Selling, general and administrative expenses	160	102
RSC merger related costs	6	10
Restructuring charge	6	—
Non-rental depreciation and amortization	64	14
Operating income	149	87
Interest expense, net	118	68
Interest expense—subordinated convertible debentures	2	1
Other income, net	(1)	(1)
Income before provision for income taxes	30	19
Provision for income taxes	9	6
Net income	\$ 21	\$ 13
Diluted earnings per share	\$ 0.19	\$ 0.17

UNITED RENTALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	March 31, 2013 (unaudited)	December 31, 2012
ASSETS		
Cash and cash equivalents	\$ 147	\$ 106
Accounts receivable, net	725	793
Inventory	103	68
Prepaid expenses and other assets	81	111
Deferred taxes	255	265
Total current assets	1,311	1,343
Rental equipment, net	4,963	4,966
Property and equipment, net	420	428
Goodwill, net	2,963	2,970
Other intangible assets, net	1,151	1,200
Other long-term assets	113	119
Total assets	\$ 10,921	\$ 11,026
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of long-term debt	\$ 567	\$ 630
Accounts payable	406	286
Accrued expenses and other liabilities	396	435
Total current liabilities	1,369	1,351
Long-term debt	6,580	6,679
Subordinated convertible debentures	17	55
Deferred taxes	1,293	1,302
Other long-term liabilities	67	65
Total liabilities	9,326	9,452
Temporary equity	29	31
Common stock	1	1
Additional paid-in capital	2,037	1,997
Accumulated deficit	(403)	(424)
Treasury stock	(133)	(115)
Accumulated other comprehensive income	64	84
Total stockholders' equity	1,566	1,543
Total liabilities and stockholders' equity	\$ 10,921	\$ 11,026

UNITED RENTALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In millions)

	Three Months Ended	
	March 31,	
	2013	2012
Cash Flows From Operating Activities:		
Net income	\$ 21	\$ 13
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	266	129
Amortization of deferred financing costs and original issue discounts	6	5
Gain on sales of rental equipment	(40)	(29)
Gain on sales of non-rental equipment	(1)	(1)
Stock compensation expense, net	9	4
RSC merger related costs	6	10
Restructuring charge	6	—
Loss on retirement of subordinated convertible debentures	1	—
Increase in restricted cash- RSC merger related debt interest	—	(25)
Increase in deferred taxes	3	1
Changes in operating assets and liabilities:		
Decrease in accounts receivable	65	50
Increase in inventory	(34)	(41)
Decrease in prepaid expenses and other assets	30	11
Increase in accounts payable	121	172
Decrease in accrued expenses and other liabilities	(50)	(45)
Net cash provided by operating activities	409	254
Cash Flows From Investing Activities:		
Purchases of rental equipment	(289)	(390)
Purchases of non-rental equipment	(14)	(36)
Proceeds from sales of rental equipment	123	76
Proceeds from sales of non-rental equipment	5	7
Purchases of other companies, net of cash acquired	—	(57)
Net cash used in investing activities	(175)	(400)
Cash Flows From Financing Activities:		
Proceeds from debt	631	3,351
Payments of debt, including subordinated convertible debentures	(795)	(385)
Increase in restricted cash- proceeds from RSC merger related debt	—	(2,825)
Payments of financing costs	—	(3)
Proceeds from the exercise of common stock options	3	5
Common stock repurchased	(30)	(8)
Net cash (used in) provided by financing activities	(191)	135
Effect of foreign exchange rates	(2)	1
Net increase (decrease) in cash and cash equivalents	41	(10)
Cash and cash equivalents at beginning of period	106	36
Cash and cash equivalents at end of period	\$ 147	\$ 26
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net	\$ 15	\$ 12
Cash paid for interest, including subordinated convertible debentures	90	40

UNITED RENTALS, INC.
SEGMENT PERFORMANCE
(\$ in millions)

	Three Months Ended		
	March 31,		
	2013	2012	Change
General Rentals			
Reportable segment equipment rentals revenue	\$ 854	\$ 475	79.8%
Reportable segment equipment rentals gross profit	295	144	104.9%
Reportable segment equipment rentals gross margin	34.5%	30.3%	4.2pp
Trench Safety, Power & HVAC			
Reportable segment equipment rentals revenue	\$ 62	\$ 48	29.2%
Reportable segment equipment rentals gross profit	26	18	44.4%
Reportable segment equipment rentals gross margin	41.9%	37.5%	4.4pp
Total United Rentals			
Total equipment rentals revenue	\$ 916	\$ 523	75.1%
Total equipment rentals gross profit	321	162	98.1%
Total equipment rentals gross margin	35.0%	31.0%	4.0pp

UNITED RENTALS, INC.
DILUTED EARNINGS PER SHARE CALCULATION
(In millions, except per share data)

	Three Months Ended	
	March 31,	
	2013	2012
Numerator:		
Net income	\$ 21	\$ 13
Convertible debt interest—1 ⁷ / ₈ percent notes	—	—
Net income available to common stockholders	\$ 21	\$ 13
Denominator:		
Denominator for basic earnings per share—weighted-average common shares	93.3	63.1
Effect of dilutive securities:		
Employee stock options and warrants	0.6	0.7
Convertible subordinated notes—1 ⁷ / ₈ percent	—	1.0
Convertible subordinated notes—4 percent	11.9	10.8
Restricted stock units	0.6	0.7
Denominator for diluted earnings per share—adjusted weighted-average common shares	106.4	76.3
Diluted earnings per share	\$ 0.19	\$ 0.17

UNITED RENTALS, INC.
ADJUSTED EARNINGS PER SHARE GAAP RECONCILIATION

We define “Earnings per share – adjusted” as the sum of earnings per share – GAAP, as reported plus the impact of the following special items: RSC merger related costs, RSC merger related intangible asset amortization, impact on rental depreciation related to acquired RSC fleet and property and equipment, impact of the fair value mark-up of acquired RSC fleet, pre-close RSC merger related interest expense, impact on interest expense related to fair value adjustment of acquired RSC indebtedness, restructuring charge, asset impairment charge, and loss on repurchase/redemption of debt securities and retirement of subordinated convertible debentures. Management believes adjusted earnings per share provides useful information concerning future profitability. However, adjusted earnings per share is not a measure of financial performance under GAAP. Accordingly, adjusted earnings per share should not be considered an alternative to GAAP earnings per share. The table below provides a reconciliation between earnings per share – GAAP, as reported, and earnings per share – adjusted.

	Three Months Ended	
	March 31,	
	2013	2012
Earnings per share - GAAP, as reported	\$ 0.19	\$ 0.17
After-tax impact of:		
RSC merger related costs (1)	0.03	0.09
RSC merger related intangible asset amortization (2)	0.24	—
Impact on depreciation related to acquired RSC fleet and property and equipment (3)	(0.01)	—
Impact of the fair value mark-up of acquired RSC fleet (4)	0.08	—
Pre-close RSC merger related interest expense (5)	—	0.10
Impact on interest expense related to fair value adjustment of acquired RSC indebtedness (6)	(0.01)	—
Restructuring charge (7)	0.04	—
Asset impairment charge (8)	0.01	—
Loss on repurchase/redemption of debt securities and retirement of subordinated convertible debentures	0.01	—
Earnings per share – adjusted	\$ 0.58	\$ 0.36

- (1) Reflects transaction costs associated with the RSC acquisition.
- (2) Reflects the amortization of the intangible assets acquired in the RSC acquisition.
- (3) Reflects the impact of extending the useful lives of equipment acquired in the RSC acquisition, net of the impact of additional depreciation associated with the fair value mark-up of such equipment.
- (4) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC acquisition and subsequently sold.
- (5) In March 2012, we issued \$2,825 million of debt in connection with the RSC acquisition. The pre-close RSC merger related interest expense reflects the interest expense recorded on this debt prior to the acquisition date.
- (6) Reflects a reduction of interest expense associated with the fair value mark-up of debt acquired in the RSC acquisition.
- (7) Primarily reflects severance costs and branch closure charges associated with the RSC acquisition.
- (8) Primarily reflects write-offs of leasehold improvements and other fixed assets in connection with the RSC acquisition.

UNITED RENTALS, INC.
EBITDA AND ADJUSTED EBITDA GAAP RECONCILIATION
(In millions)

EBITDA represents the sum of net income, provision for income taxes, interest expense, net, interest expense-subordinated convertible debentures, depreciation of rental equipment, and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of the RSC merger related costs, restructuring charge, stock compensation expense, net, and the impact of the fair value mark-up of acquired RSC fleet. These items are excluded from adjusted EBITDA internally when evaluating our operating performance and allow investors to make a more meaningful comparison between our core business operating results over different periods of time, as well as with those of other similar companies. Management believes that EBITDA and adjusted EBITDA, when viewed with the Company's results under GAAP and the accompanying reconciliation, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of our core business without regard to potential distortions. Additionally, management believes that EBITDA and adjusted EBITDA permit investors to gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced. However, EBITDA and adjusted EBITDA are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net income or cash flow from operating activities as indicators of operating performance or liquidity. The table below provides a reconciliation between net income and EBITDA and adjusted EBITDA.

	Three Months Ended	
	March 31,	
	2013	2012
Net income	\$ 21	\$ 13
Provision for income taxes	9	6
Interest expense, net	118	68
Interest expense – subordinated convertible debentures	2	1
Depreciation of rental equipment	202	115
Non-rental depreciation and amortization	64	14
EBITDA (A)	\$ 416	\$ 217
RSC merger related costs (1)	6	10
Restructuring charge (2)	6	—
Stock compensation expense, net (3)	9	4
Impact of the fair value mark-up of acquired RSC fleet (4)	14	—
Adjusted EBITDA (B)	\$ 451	\$ 231

A) Our EBITDA margin was 37.8% and 33.1% for the three months ended March 31, 2013 and 2012, respectively.

B) Our adjusted EBITDA margin was 41.0% and 35.2% for the three months ended March 31, 2013 and 2012, respectively.

- (1) Reflects transaction costs associated with the RSC acquisition.
- (2) Primarily reflects severance costs and branch closure charges associated with the RSC acquisition.
- (3) Represents non-cash, share-based payments associated with the granting of equity instruments.
- (4) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC acquisition and subsequently sold.

UNITED RENTALS, INC.
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO EBITDA AND ADJUSTED
EBITDA
(In millions)

	Three Months Ended	
	March 31,	
	2013	2012
Net cash provided by operating activities	\$ 409	\$ 254
Adjustments for items included in net cash provided by operating activities but excluded from the calculation of EBITDA:		
Amortization of deferred financing costs and original issue discounts	(6)	(5)
Gain on sales of rental equipment	40	29
Gain on sales of non-rental equipment	1	1
RSC merger related costs (1)	(6)	(10)
Restructuring charge (2)	(6)	—
Stock compensation expense, net (3)	(9)	(4)
Loss on retirement of subordinated convertible debentures	(1)	—
Increase in restricted cash- RSC merger related debt interest	—	25
Changes in assets and liabilities	(111)	(125)
Cash paid for interest, including subordinated convertible debentures	90	40
Cash paid for income taxes, net	15	12
EBITDA	\$ 416	\$ 217
Add back:		
RSC merger related costs (1)	6	10
Restructuring charge (2)	6	—
Stock compensation expense, net (3)	9	4
Impact of the fair value mark-up of acquired RSC fleet (4)	14	—
Adjusted EBITDA	\$ 451	\$ 231

- (1) Reflects transaction costs associated with the acquisition of RSC.
- (2) Primarily reflects severance costs and branch closure charges associated with the RSC acquisition.
- (3) Represents non-cash, share-based payments associated with the granting of equity instruments.
- (4) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC acquisition and subsequently sold.

UNITED RENTALS, INC.
FREE CASH FLOW GAAP RECONCILIATION
(In millions)

We define free cash flow (usage) as (i) net cash provided by operating activities less (ii) purchases of rental and non-rental equipment plus (iii) proceeds from sales of rental and non-rental equipment. Management believes that free cash flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements. However, free cash flow (usage) is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash flow (usage) should not be considered an alternative to net income or cash flow from operating activities as an indicator of operating performance or liquidity. The table below provides a reconciliation between net cash provided by operating activities and free cash flow (usage).

	Three Months Ended	
	March 31,	
	2013	2012
Net cash provided by operating activities	\$ 409	\$ 254
Purchases of rental equipment	(289)	(390)
Purchases of non-rental equipment	(14)	(36)
Proceeds from sales of rental equipment	123	76
Proceeds from sales of non-rental equipment	5	7
Free cash flow (usage)	\$ 234	\$ (89)