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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues:				
Equipment rentals	$ 1,009	$ 845	$ 1,925	$ 1,368
Sales of rental equipment	131	81	254	157
Sales of new equipment	24	22	45	40
Contractor supplies sales	23	23	43	41
Service and other revenues	19	22	39	43
Total revenues	**1,206**	**993**	**2,306**	**1,649**
Cost of revenues:				
Cost of equipment rentals, excluding depreciation	399	350	792	596
Depreciation of rental equipment	208	172	410	287
Cost of rental equipment sales	87	56	170	103
Cost of new equipment sales	19	17	36	32
Cost of contractor supplies sales	16	16	29	28
Cost of service and other revenues	6	8	13	16
Total cost of revenues	**735**	**619**	**1,450**	**1,062**
Gross profit	**471**	**374**	**856**	**587**
Selling, general and administrative expenses	152	146	312	248
RSC merger related costs	2	80	8	90
Restructuring charge	5	53	11	53
Non-rental depreciation and amortization	62	49	126	63
Operating income	250	46	399	133
Interest expense, net	118	121	236	189
Interest expense—subordinated convertible debentures	1	1	3	2
Other income, net	—	(12)	(1)	(13)
Income (loss) before provision (benefit) for income taxes	131	(64)	161	(45)
Provision (benefit) for income taxes	48	(12)	57	(6)
Net income (loss)	**$ 83**	**$ (52)**	**$ 104**	**$ (39)**
Diluted earnings (loss) per share	**$ 0.78**	**$ (0.63)**	**$ 0.98**	**$ (0.53)**

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

	June 30, 2013 (unaudited)	December 31, 2012
ASSETS		
Cash and cash equivalents	$ 133	$ 106
Accounts receivable, net	751	793
Inventory	111	68
Prepaid expenses and other assets	113	111
Deferred taxes	255	265
Total current assets	1,363	1,343
Rental equipment, net	5,380	4,966
Property and equipment, net	417	428
Goodwill, net	2,954	2,970
Other intangible assets, net	1,103	1,200
Other long-term assets	109	119
Total assets	**$ 11,326**	**$ 11,026**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of long-term debt	$ 624	$ 630
Accounts payable	606	286
Accrued expenses and other liabilities	362	435
Total current liabilities	1,592	1,351
Long-term debt	6,732	6,679
Subordinated convertible debentures	—	55
Deferred taxes	1,328	1,302
Other long-term liabilities	65	65
Total liabilities	**9,717**	**9,452**
Temporary equity	26	31
Common stock	1	1
Additional paid-in capital	2,055	1,997
Accumulated deficit	(320)	(424)
Treasury stock	(185)	(115)
Accumulated other comprehensive income	32	84
Total stockholders' equity	**1,583**	**1,543**
Total liabilities and stockholders' equity	**$ 11,326**	**$ 11,026**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Cash Flows From Operating Activities:				
Net income (loss)	$ 83	$ (52)	$ 104	$ (39)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	270	221	536	350
Amortization of deferred financing costs and original issue discounts	5	7	11	12
Gain on sales of rental equipment	(44)	(25)	(84)	(54)
Gain on sales of non-rental equipment	(1)	(1)	(2)	(2)
Gain on sale of software subsidiary	1	(10)	1	(10)
Stock compensation expense, net	10	9	19	13
RSC merger related costs	2	80	8	90
Restructuring charge	5	53	11	53
Loss on retirement of subordinated convertible debentures	1	—	2	—
Decrease in restricted cash- RSC merger related debt interest	—	25	—	—
Increase (decrease) in deferred taxes	36	(15)	39	(14)
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(31)	(47)	34	3
(Increase) decrease in inventory	(9)	2	(43)	(39)
(Increase) decrease in prepaid expenses and other assets	(24)	(27)	6	(16)
Increase (decrease) in accounts payable	202	(76)	323	96
Decrease in accrued expenses and other liabilities	(37)	(56)	(87)	(101)
Net cash provided by operating activities	**469**	**88**	**878**	**342**
Cash Flows From Investing Activities:				
Purchases of rental equipment	(736)	(446)	(1,025)	(836)
Purchases of non-rental equipment	(27)	(26)	(41)	(62)
Proceeds from sales of rental equipment	131	81	254	157
Proceeds from sales of non-rental equipment	6	5	11	12
Purchases of other companies, net of cash acquired	—	(1,118)	—	(1,175)
Proceeds from sale of software subsidiary	—	10	—	10
Net cash used in investing activities	**(626)**	**(1,494)**	**(801)**	**(1,894)**
Cash Flows From Financing Activities:				
Proceeds from debt	1,008	842	1,639	4,193
Payments of debt, including subordinated convertible debentures	(812)	(2,079)	(1,607)	(2,464)
Decrease in restricted cash- proceeds from RSC merger related debt	—	2,825	—	—
Payments of financing costs	—	(64)	—	(67)
Proceeds from the exercise of common stock options	2	6	5	11
Common stock repurchased	(54)	(107)	(84)	(115)
Cash received in connection with the 4 percent Convertible Senior Notes and related hedge, net	4	—	4	—
Excess tax benefits from share-based payment arrangements, net	—	(1)	—	(1)
Net cash provided by (used in) financing activities	**148**	**1,422**	**(43)**	**1,557**
Effect of foreign exchange rates	(5)	(1)	(7)	—
Net (decrease) increase in cash and cash equivalents	**(14)**	**15**	**27**	**5**
Cash and cash equivalents at beginning of period	147	26	106	36
Cash and cash equivalents at end of period	**$ 133**	**$ 41**	**$ 133**	**$ 41**
Supplemental disclosure of cash flow information:				
Cash paid for income taxes, net	$ 16	$ 12	$ 31	$ 24
Cash paid for interest, including subordinated convertible debentures	139	94	229	134

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	**2012**	**Change**	**2013**	**2012**	**Change**
General Rentals						
Reportable segment equipment rentals revenue	$ 932	$ 781	19.3%	$ 1,786	$ 1,256	42.2%
Reportable segment equipment rentals gross profit	366	293	24.9%	661	437	51.3%
Reportable segment equipment rentals gross margin	39.3%	37.5%	1.8pp	37.0%	34.8%	2.2pp
Trench Safety, Power & HVAC						
Reportable segment equipment rentals revenue	$ 77	$ 64	20.3%	$ 139	$ 112	24.1%
Reportable segment equipment rentals gross profit	36	30	20.0%	62	48	29.2%
Reportable segment equipment rentals gross margin	46.8%	46.9%	(0.1pp)	44.6%	42.9%	1.7pp
Total United Rentals						
Total equipment rentals revenue	$ 1,009	$ 845	19.4%	$ 1,925	$ 1,368	40.7%
Total equipment rentals gross profit	402	323	24.5%	723	485	49.1%
Total equipment rentals gross margin	39.8%	38.2%	1.6pp	37.6%	35.5%	2.1pp

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	**2012**	**2013**	**2012**
Numerator:				
Net income (loss) available to common stockholders	$ 83	$ (52)	$ 104	$ (39)
Denominator:				
Denominator for basic earnings (loss) per share—weighted-average common shares	93.9	83.2	93.6	73.2
Effect of dilutive securities:				
Employee stock options and warrants	0.5	—	0.6	—
Convertible subordinated notes—4 percent	11.9	—	11.9	—
Restricted stock units	0.4	—	0.5	—
Denominator for diluted earnings (loss) per share—adjusted weighted-average common shares	**106.7**	**83.2**	**106.6**	**73.2**
Diluted earnings (loss) per share	**$ 0.78**	**$ (0.63)**	**$ 0.98**	**$ (0.53)**

UNITED RENTALS, INC.
ADJUSTED EARNINGS PER SHARE GAAP RECONCILIATION

We define "Earnings per share – adjusted" as the sum of earnings (loss) 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, loss on repurchase/redemption of debt securities and retirement of subordinated convertible debentures and gain on sale of software subsidiary. 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 (loss) per share – GAAP, as reported, and earnings per share – adjusted.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	**2012**	**2013**	**2012**
Earnings (loss) per share - GAAP, as reported	$ 0.78	$ (0.63)	$ 0.98	$ (0.53)
After-tax impact of:				
RSC merger related costs (1)	0.01	0.60	0.05	0.76
RSC merger related intangible asset amortization (2)	0.24	0.21	0.49	0.24
Impact on depreciation related to acquired RSC fleet and property and equipment (3)	(0.01)	(0.02)	(0.03)	(0.02)
Impact of the fair value mark-up of acquired RSC fleet (4)	0.07	0.05	0.15	0.05
Pre-close RSC merger related interest expense (5)	—	0.12	—	0.25
Impact on interest expense related to fair value adjustment of acquired RSC indebtedness (6)	(0.01)	(0.01)	(0.02)	(0.01)
Restructuring charge (7)	0.03	0.39	0.06	0.44
Asset impairment charge (8)	0.01	0.02	0.02	0.02
Loss on repurchase/redemption of debt securities and retirement of subordinated convertible debentures	—	—	0.01	—
Gain on sale of software subsidiary (9)	—	(0.07)	—	(0.08)
Earnings per share - adjusted	**$ 1.12**	**$ 0.66**	**$ 1.71**	**$ 1.12**

(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.
(9) Reflects a gain recognized upon the sale of a former subsidiary that developed and marketed software.

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

EBITDA represents the sum of net income (loss), provision (benefit) 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, the impact of the fair value mark-up of acquired RSC fleet and the gain on sale of software subsidiary. 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 (loss) or cash flow from operating activities as indicators of operating performance or liquidity. The table below provides a reconciliation between net income (loss) and EBITDA and adjusted EBITDA.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	**2012**	**2013**	**2012**
Net income (loss)	$ 83	$ (52)	$ 104	$ (39)
Provision (benefit) for income taxes	48	(12)	57	(6)
Interest expense, net	118	121	236	189
Interest expense – subordinated convertible debentures	1	1	3	2
Depreciation of rental equipment	208	172	410	287
Non-rental depreciation and amortization	62	49	126	63
EBITDA (A)	**$ 520**	**$ 279**	**$ 936**	**$ 496**
RSC merger related costs (1)	2	80	8	90
Restructuring charge (2)	5	53	11	53
Stock compensation expense, net (3)	10	9	19	13
Impact of the fair value mark-up of acquired RSC fleet (4)	11	7	25	7
Gain on sale of software subsidiary (5)	1	(10)	1	(10)
Adjusted EBITDA (B)	**$ 549**	**$ 418**	**$ 1,000**	**$ 649**

A) Our EBITDA margin was 43.1% and 28.1% for the three months ended June 30, 2013 and 2012, respectively, and 40.6% and 30.1% for the six months ended June 30, 2013 and 2012, respectively.
B) Our adjusted EBITDA margin was 45.5% and 42.1% for the three months ended June 30, 2013 and 2012, respectively, and 43.4% and 39.4% for the six months ended June 30, 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.
(5) Reflects a gain recognized upon the sale of a former subsidiary that developed and marketed software.

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

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Net cash provided by operating activities	$ 469	$ 88	$ 878	$ 342
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	(5)	(7)	(11)	(12)
Gain on sales of rental equipment	44	25	84	54
Gain on sales of non-rental equipment	1	1	2	2
Gain on sale of software subsidiary (5)	(1)	10	(1)	10
RSC merger related costs (1)	(2)	(80)	(8)	(90)
Restructuring charge (2)	(5)	(53)	(11)	(53)
Stock compensation expense, net (3)	(10)	(9)	(19)	(13)
Loss on retirement of subordinated convertible debentures	(1)	—	(2)	—
Decrease in restricted cash- RSC merger related debt interest	—	(25)	—	—
Changes in assets and liabilities	(125)	223	(236)	98
Cash paid for interest, including subordinated convertible debentures	139	94	229	134
Cash paid for income taxes, net	16	12	31	24
EBITDA	**$ 520**	**$ 279**	**$ 936**	**$ 496**
Add back:				
RSC merger related costs (1)	2	80	8	90
Restructuring charge (2)	5	53	11	53
Stock compensation expense, net (3)	10	9	19	13
Impact of the fair value mark-up of acquired RSC fleet (4)	11	7	25	7
Gain on sale of software subsidiary (5)	1	(10)	1	(10)
Adjusted EBITDA	**$ 549**	**$ 418**	**$ 1,000**	**$ 649**

(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.
(5) Reflects a gain recognized upon the sale of a former subsidiary that developed and marketed software.

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

We define free cash (usage) flow 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 and excess tax benefits from share-based payment arrangements, net. 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 (usage) flow is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash (usage) flow 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 (usage) flow.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	**2012**	**2013**	**2012**
Net cash provided by operating activities	$ 469	$ 88	$ 878	$ 342
Purchases of rental equipment	(736)	(446)	(1,025)	(836)
Purchases of non-rental equipment	(27)	(26)	(41)	(62)
Proceeds from sales of rental equipment	131	81	254	157
Proceeds from sales of non-rental equipment	6	5	11	12
Excess tax benefits from share-based payment arrangements, net	$ —	$ (1)	—	(1)
Free cash (usage) flow	**$ (157)**	**$ (299)**	**$ 77**	**$ (388)**