

Poised to Outperform



Investor Presentation
Fourth Quarter and Full Year 2011

Introductory Information

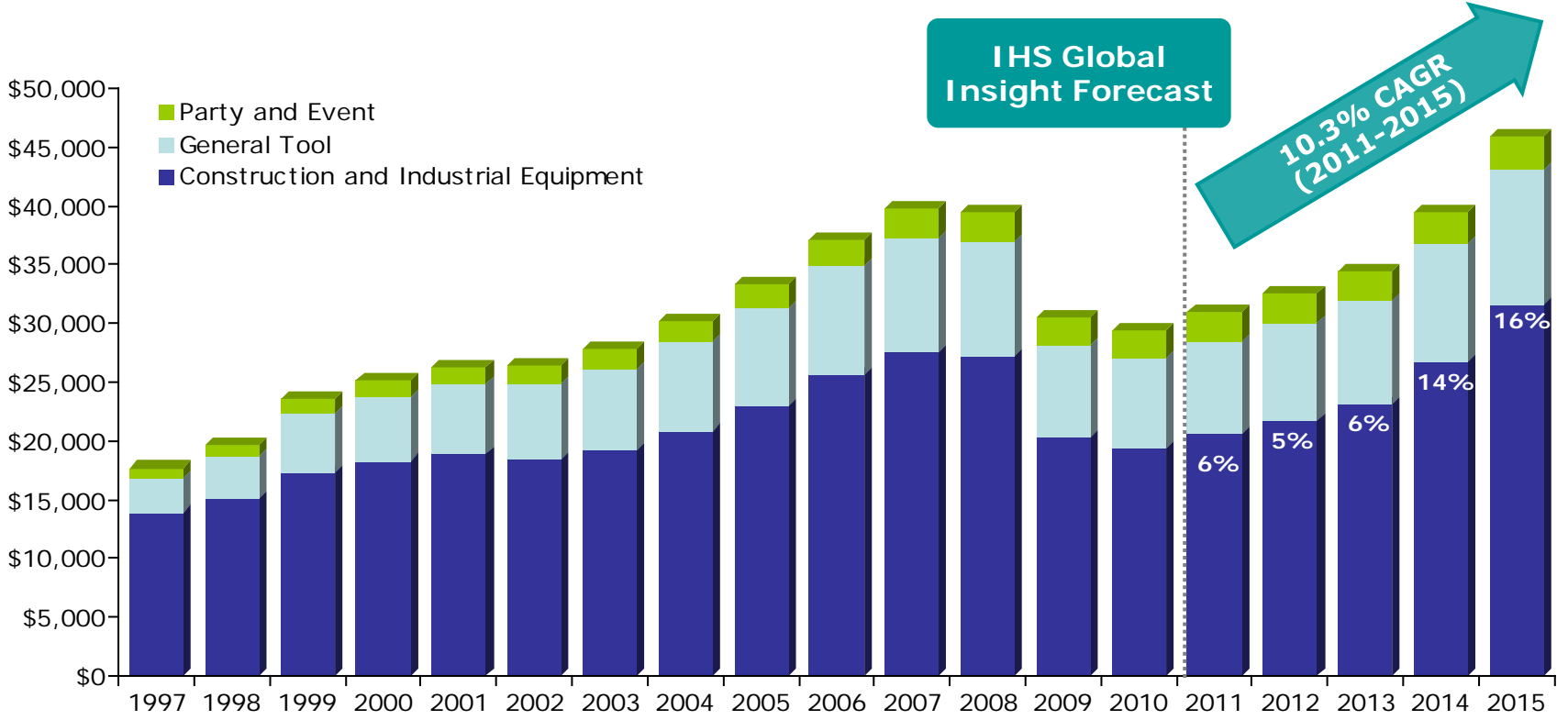
Unless otherwise specified, the information in this presentation, including forward looking statements related to our outlook, is as of our most recent earnings call held on January 25, 2012. We make no commitment to update any such information contained in this presentation.

Certain statements in this presentation are forward-looking. These statements can generally be identified by the use of forward looking terminology such as "believe," "expect," "may," "will," "should," "seek," "on-track," "plan," "project," "forecast," "intend" or "anticipate," or the negative thereof or comparable terminology, or by discussions of vision, strategy or outlook. These statements are based on current plans, estimates and projections, and, therefore, you should not place undue reliance on them. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. Factors that could cause actual results to differ materially from those projected include, but are not limited to, the following: (1) a slowdown in the recovery of North American construction and industrial activities, which decreased during the economic downturn and significantly affected our revenues and profitability, may further reduce demand for equipment and prices that we can charge; (2) a decrease in levels of infrastructure spending, including lower than expected government funding for stimulus-related construction projects; (3) our highly leveraged capital structure, which requires us to use a substantial portion of our cash flow for debt service and can constrain our flexibility in responding to unanticipated or adverse business conditions; (4) restrictive covenants in our debt agreements, which could limit our financial and operation flexibility; (5) noncompliance with covenants in our debt agreements, which could result in termination of our credit facilities and acceleration of outstanding borrowings; (6) inability to access the capital that our business may require; (7) inability to collect on contracts with customers; (8) incurrence of impairment charges; (9) the potential consequences of litigation and other claims relating to our business, including certain claims that our insurance may not cover; (10) an increase in our loss reserves to address business operations or other claims and any claims that exceed our established levels of reserves; (11) incurrence of additional costs and expenses in connection with litigation, regulatory or investigatory matters; (12) increases in our maintenance and replacement costs as we age our fleet, and decreases in the residual value of our equipment; (13) inability to sell our new or used fleet in the amounts, or at the prices, we expect; (14) challenges associated with past or future acquisitions, such as undiscovered liabilities and integration issues; (15) management turnover and inability to attract and retain key personnel; (16) our rates and time utilization being less than anticipated; (17) our costs being more than anticipated, the inability to realize expected savings and the inability to obtain key equipment and supplies; (18) disruptions in our information technology systems; (19) competition from existing and new competitors; and (20) labor difficulties and labor-based legislation affecting labor relations and operations generally; (21) the inability of United Rentals and RSC to obtain stockholder or regulatory approvals required for the proposed transaction or the imposition of conditions that could reduce the anticipated benefits of the merger as a condition to obtaining regulatory approvals; (22) the length of time necessary to consummate the merger with RSC and the related transactions may be longer than anticipated; (23) problems with successfully integrating the businesses of United Rentals and RSC; (24) unexpected costs resulting from the proposed transaction with RSC; and (25) unanticipated negative consequences resulting from uncertainty surrounding the proposed transaction. For a more complete description of these and other possible risks and uncertainties, please refer to our Annual Report on Form 10-K for the year ended December 31, 2011, as well as to our subsequent filings with the SEC.

Note: This presentation provides information about free cash (usage) flow, EBITDA, adjusted EBITDA and adjusted EPS, which are non-GAAP financial measures. This presentation includes a reconciliation between free cash (usage) flow and GAAP cash flow from operations, a reconciliation between both adjusted EBITDA and EBITDA, on the one hand, and GAAP net income (loss), on the other hand, a reconciliation between both adjusted EBITDA and EBITDA, on the one hand, and GAAP cash flow from operations, on the other hand, and a reconciliation between adjusted EPS and GAAP EPS. (Information reconciling such forward-looking non-GAAP financial measures is unavailable to the Company without unreasonable effort.)

North America: Rental Industry Poised for Growth

Equipment Rental Industry Revenue (US\$ Million, US & Canada)

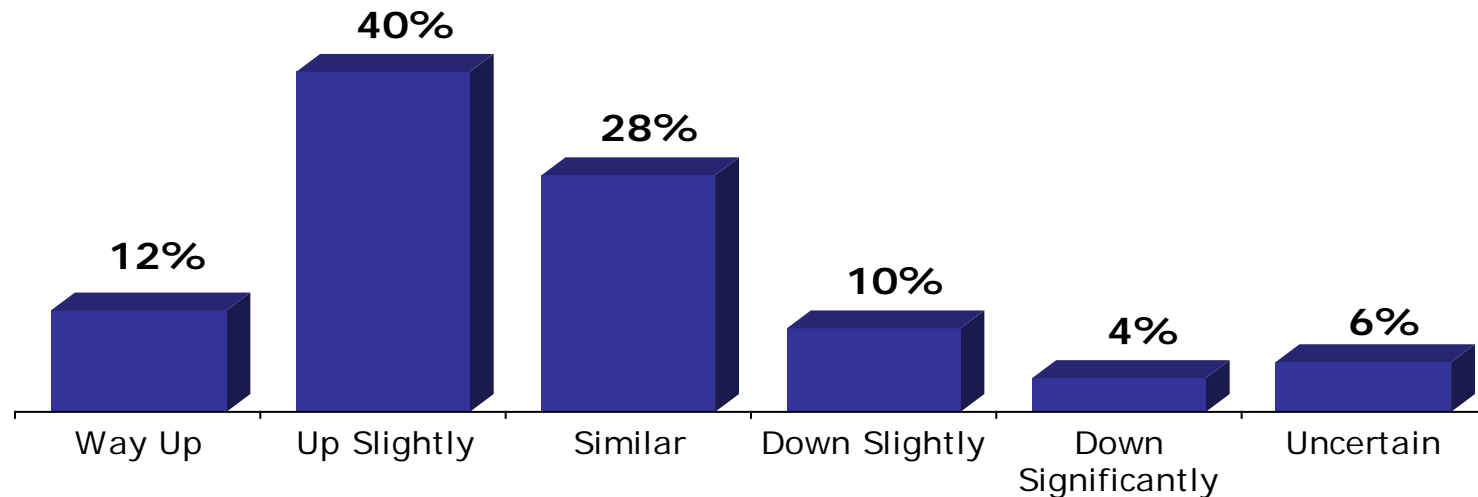


Market Growth Forecast Over Next Five Years

Market Dynamics: Customers Expect Growth in 2012

- 80% of customers expect 2012 to be similar to or better than 2011
- Expect the most growth in Northeast Canada, Gulf & Southwest
- Surveyed ~2,700 customers* with estimated 2011 URI Rental Revenue of \$1K—\$9MM (average \$350K)

Customer 2012 Outlook vs. 2011



Consensus Non-Residential Construction Up 2.19% in 2012

Structural Shift - Rental Penetration Growing



Customers Increasingly See Value in Renting

Lowers total cost of ownership

Minimizes capital outlay, especially important in a tight credit environment

Flexibility in managing changing equipment needs

Wider range of equipment offerings

Why Rent?



Strategic Acquisitions in 2011

- Venetor
 - 30 year old rental business with seven Canadian rental locations in Ontario

- Gulfstar
 - Power and HVAC locations in Texas and Louisiana, focusing on industrial customers, providing platform to accelerate growth in industrial segment

- Ontario Laser
 - Trench safety leader in Canada, expands trench presence into Northeastern Canada
 - URI trench branches in Ontario, Quebec and British Columbia

- Blue Mountain
 - Locations in Pennsylvania and Virginia
 - Focus on industrial segment with special concentration on oil and gas exploration

United Rentals to Acquire RSC

Transforming Our Company

Market Strategy

Segmentation strategy builds stronger relationships with most attractive customer groups while improving profitability of all other groups.

Optimization

Cost efficiencies at every level and expanded technology touch every aspect of our business.

Capital Structure

Strong capital structure provides flexibility.

Segmentation Strategy Builds Stronger Relationships with Most Attractive Customer Groups

Market Strategy

An increased focus on key customers who are more profitable and less cyclical.

Established single point of contact for key customers.

Improved customer service through Operation United.

Intensified focus on safety and employee engagement.

Expanded Specialty Rentals.

Accelerated Focus on Key Accounts

Key Accounts

National

Potential equipment rental spend of \$500K or more annually or do business in multiple locations

Strategic

Potential equipment rental spend of \$100K or more annually or do business in limited geographic areas

Assigned

Smaller accounts with the ability to grow share of wallet

These Customers:

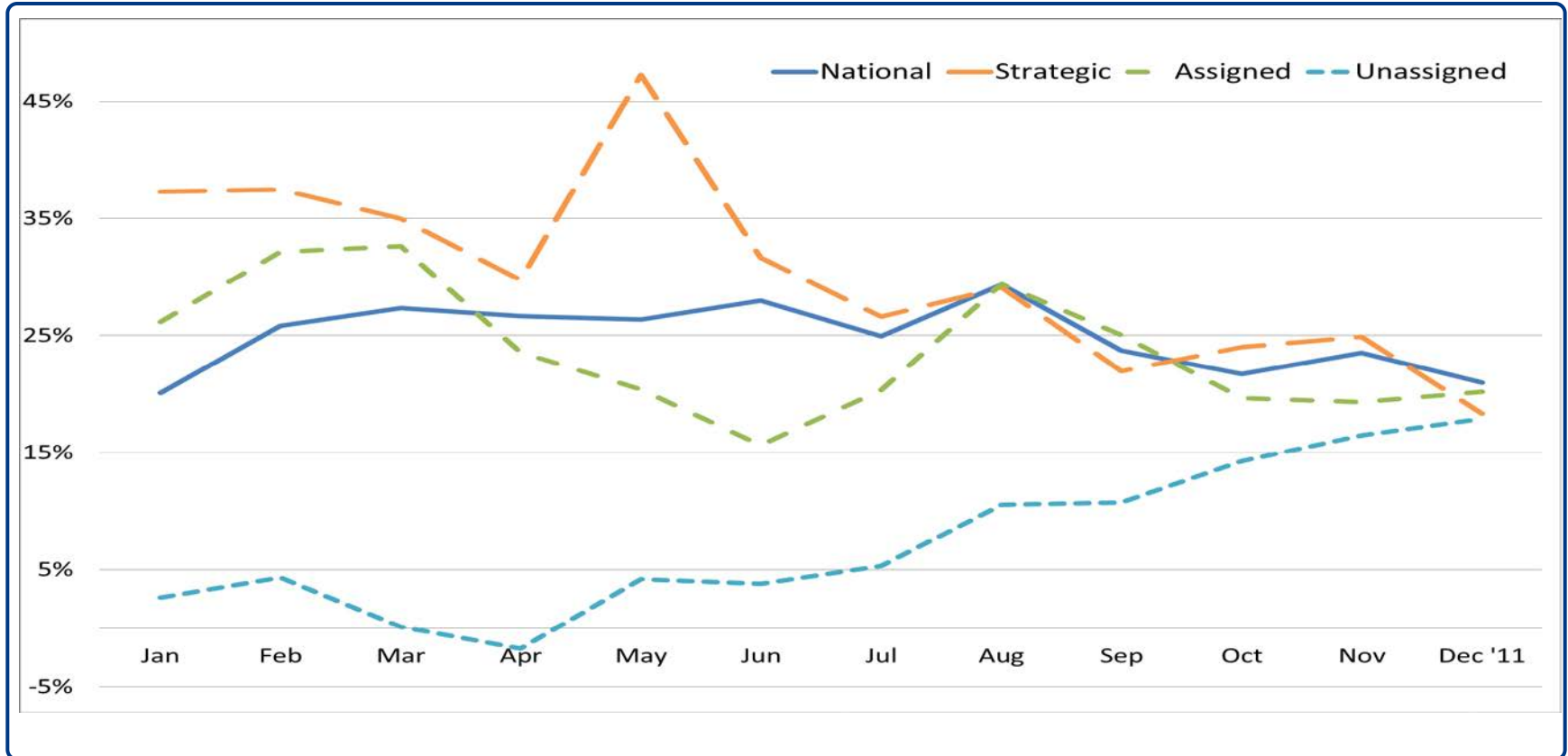
- Bring more stable relationships and revenue
- Rent for longer periods, which results in fewer transaction costs
- Pay invoices in a more timely fashion
- Return equipment with less damage
- Provide opportunity to leverage North American footprint

55% of Rental Revenue Covered by Single Point of Contact*

* Q4 2011

Operation United Performance

Year/Year Growth Trends by Account Type



In Q4, Key Accounts Rental Revenue Rose 20.7% YOY

Drivers of Loyalty – Customer Scorecard

- Fleet availability
- On-time delivery
- Pick-up
- Invoice accuracy
- Service call response time

Customer Value Proposition Scorecard

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Trailing Twelve Months (TTM) from: Jan 31, 2011
 Region: All; District: All; Lawson Unit: All; Branch: All;
 Customer Name:

Category	Metrics	TTM		Prior Year TTM	
		Total	Percentage of	Total	Growth
Products and Services	Rental	\$3,203,842	92.6%	\$468,003	584.6%
	Contractor Supplies	\$21,053	0.6%	\$46,832	-55.0%
	New Equipment	\$117,872	3.4%	\$81,578	44.5%
	Used Equipment	\$1,500	0.0%	\$0	
	Service	\$114,087	3.3%	\$21,176	438.8%
	Cat-Classes Rented	32		27	18.5%
Fulfillment	Orders Fulfilled	1,010	99.3%	260	288.5%
	Lost Orders	4		12	-66.7%
Delivery	On-Time Deliveries	515	91.6%	100	415.0%
	Total Deliveries	562		112	401.8%
Pickups	On-Time Pickups	119	65.4%	14	750.0%
	Total Pickups	182		18	911.1%
Repairs	On-Time Service Responses	336	95.2%	15	2,140.0%
	Total Service Responses	353		15	2,253.3%
Billing	Billing Accuracy	99.2%		93.2%	6.0%
Product Quality	Early Equipment Failures	3	0.6%	4	-25.0%
Channel Management	Sales Rep Job Calls	285	97.3%	175	62.9%
	Sales Rep Office Calls	8		12	-33.3%
	All Sales Calls	1,435		783	83.3%
FootPrint	Jobs Transacted To	8		7	14.3%
	Branches Transacted In	7		2	250.0%
	States/Provinces Transacted In	2		2	0.0%

Property of United Rentals, Inc. Strictly Confidential

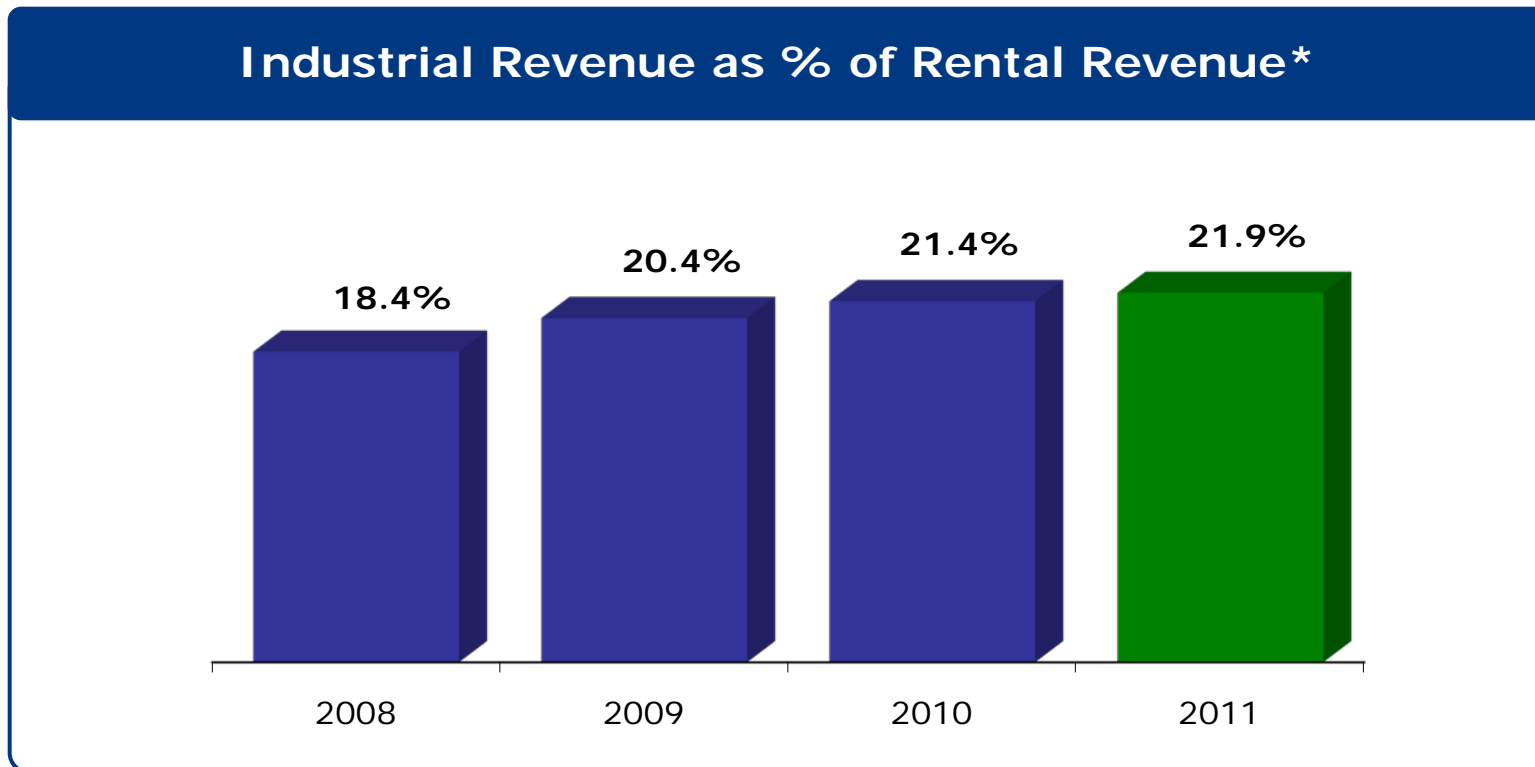
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Sharing Results with the Customer

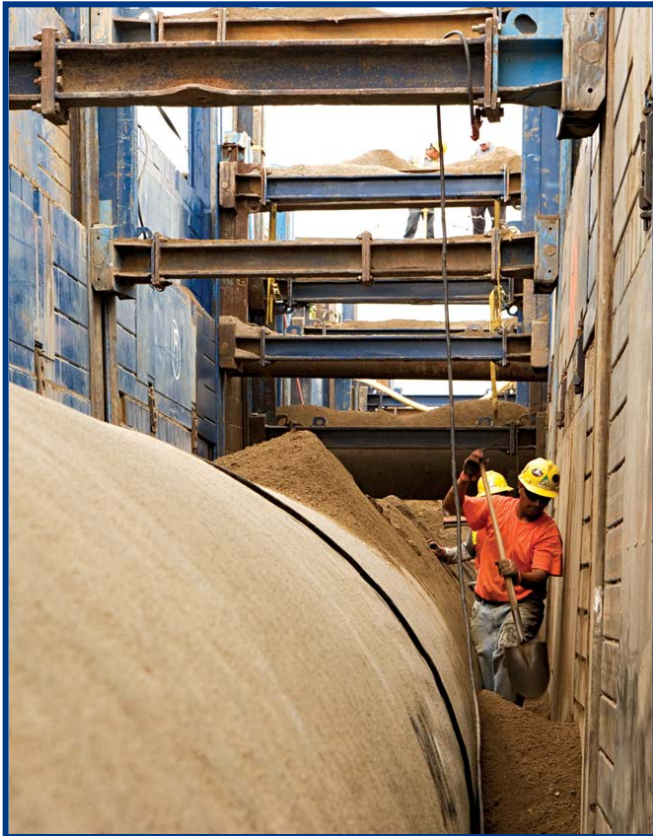
Industrial Revenue Share Increasing

- Industrial customers value Company's improved service offerings
- Increased sales force with industrial expertise



*Based on our charge customers' Standard Industrial Classification ("SIC"), codes which are periodically reviewed and updated

Trench Safety Provides Competitive Edge and Cross-Selling



- Largest trench safety rental company in North America
 - URI expands leadership position by acquiring Ontario Laser in Canada
- Trench is first on the job and supports cross selling opportunities
- OSHA requires protection when working more than 5 feet underground
- Since 2006, United Rentals has trained more than 60,000 contractors in excavation safety

Trench Q4 Rental Revenue Up 48% YOY

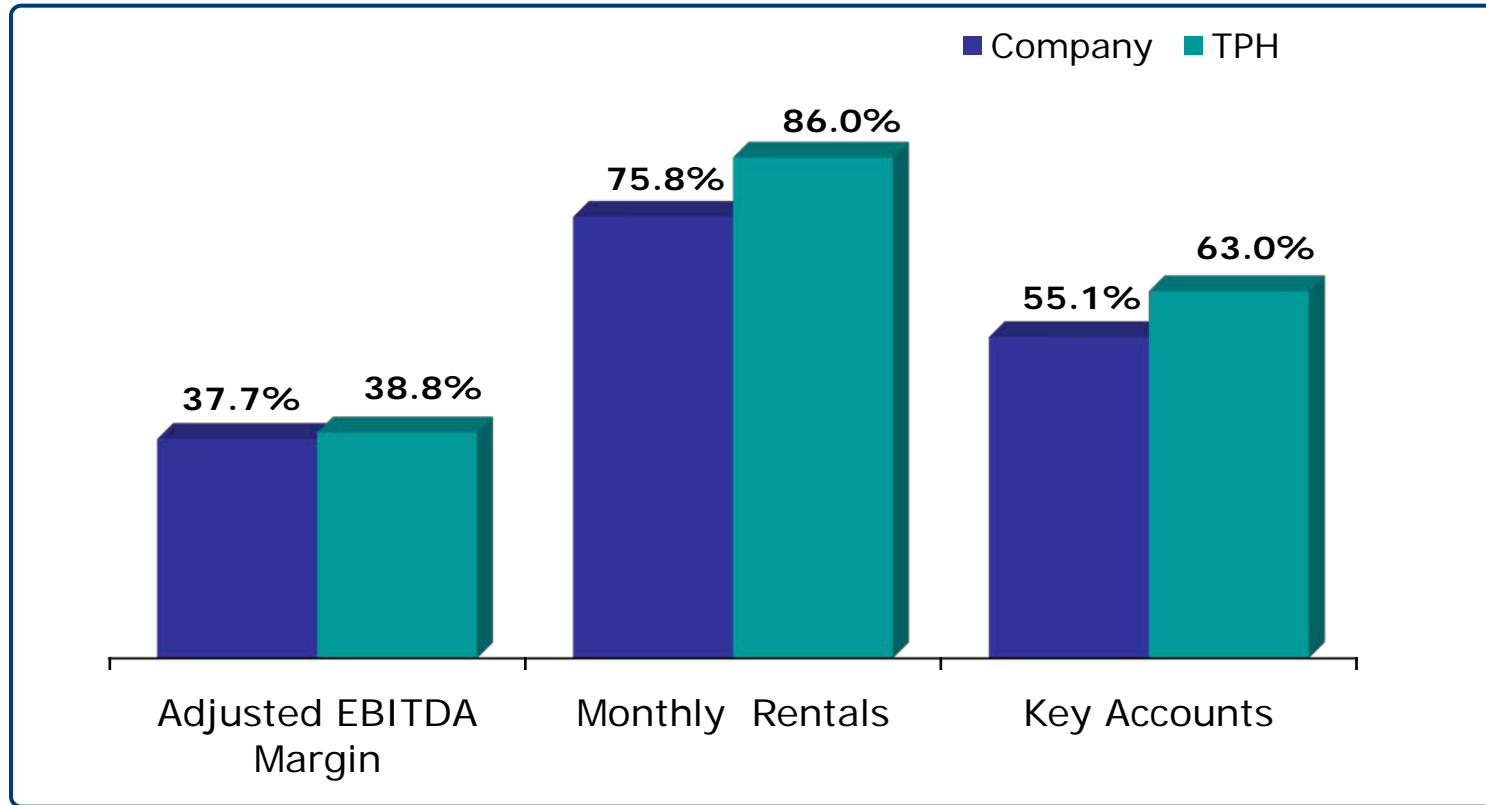
What Is Power & HVAC?

- Historically high margin business
- URI acquires Gulfstar in Texas and Louisiana, which primarily focuses on industrial customers
- Business specializes in turn-key services and solutions
- Solution-based sale
- Provides custom engineered products and services



Power and HVAC Q4 Rental Revenue Up 60% YOY

Specialty Rentals: High Margin Business Focused on Key Accounts



TPH: Competitive Differentiator that Leverages All Business Units

* Q4 data

Driving Further Cost Efficiencies Throughout Our Business

Optimization

Achievements at every level.

Managing fleet for maximum returns.

Standardizing and optimizing branches.

Employing new technologies to further drive operational efficiencies.

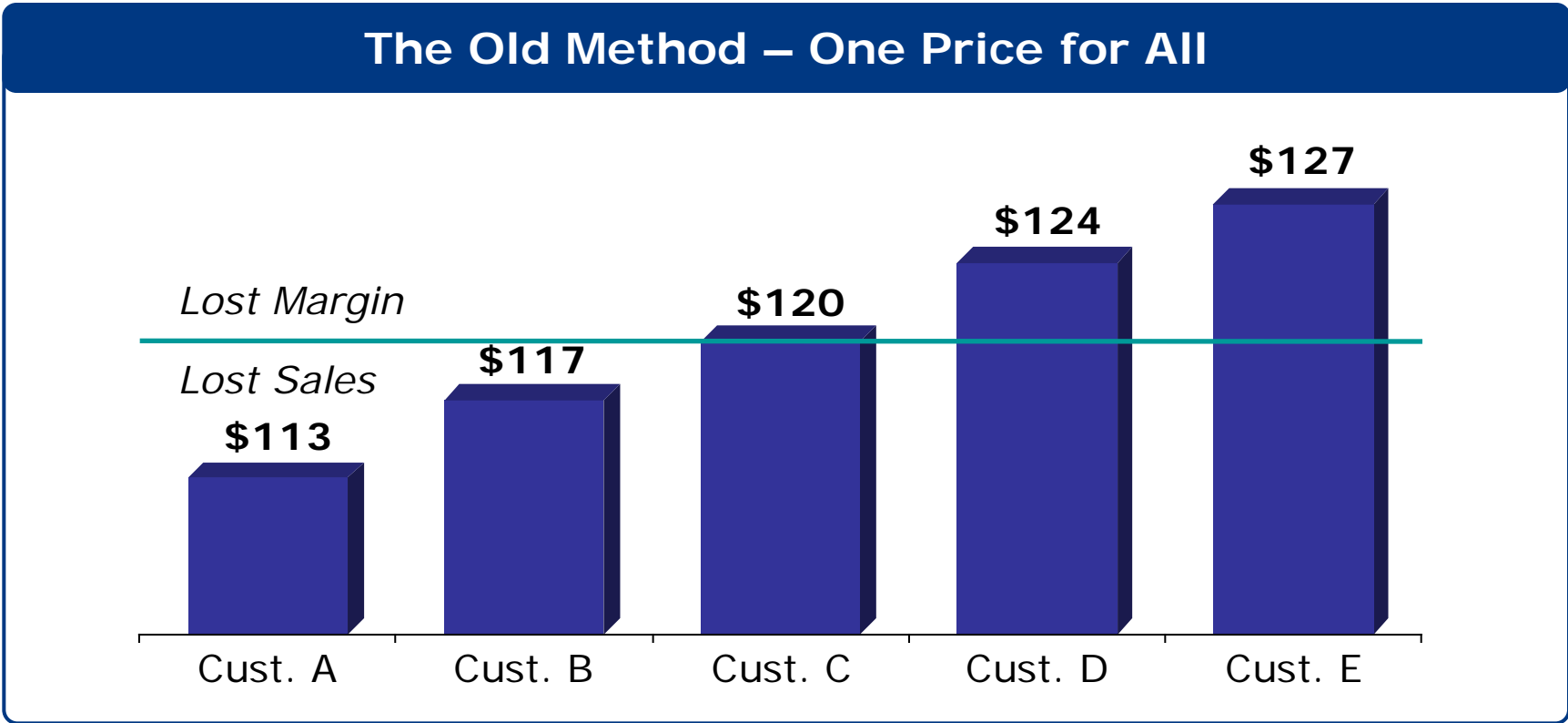
CORE: Driving Profitable Growth

- Consistent pricing practices across the network
- Support for customer segmentation and Operation United
- Improved guidance to sales force
- Better control and measurement of rental rate performance
- Improved negotiations

Pricing Strategy Supported by Technology

Price Optimization Concept

- New Rate guidance allows sales teams to make better, faster decisions
 - Rates are established to reduce risk of losing profitable volume



Customer Centric Rate Program

	Before	After
Rates Are Set At	Rate Zone Level	Rate Zone/Customer Segment Level
Rates Set By	DMs and RFMs	Computer/Pricing Group for Top 228 Cat Classes
Rate Zones	Separated by Business Type (AR, GR)	Consolidated
Rates Updated	As Needed	Monthly
Rate Band	Wide	Narrower Targeted at Customer Segment
Rates Below Target	Require BM Review	Require BM Review
Rates Below Floor	Require DM Review	Hard Halt Require DM Approval
Delivery Method	Rate Cards/Memory	Handheld Device or RentalMan

Consistent Rate Setting Based on Customer While Allowing Sales Force Decision Making

Deal Manager for Agreements

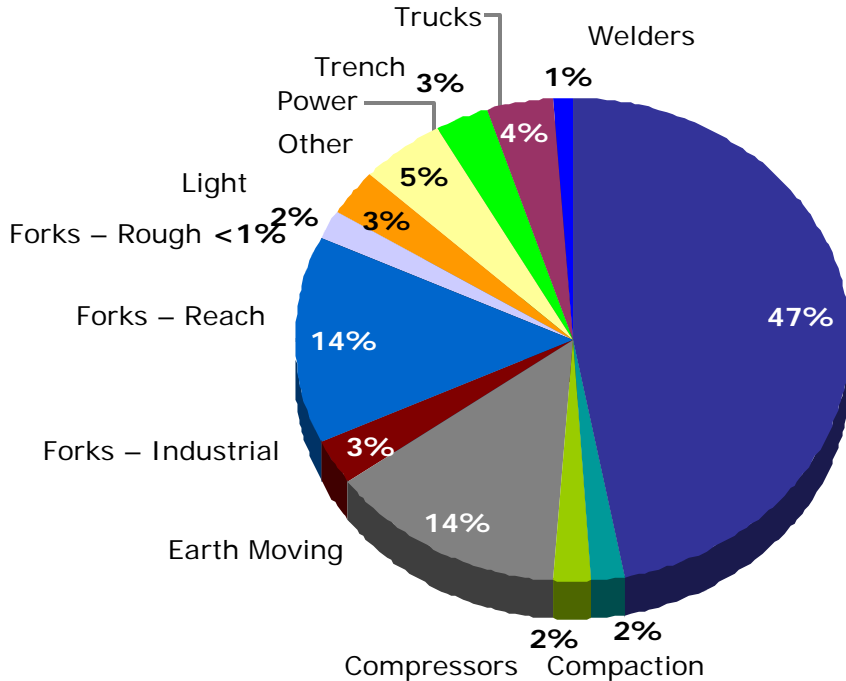
Analyzes Rates and Profitability of Price Agreements

- Optimizes approach to our largest accounts
- Ensures rates are aligned with customer potential
- Allows for comparison to customer's peers
- Formalizes the agreement process including approval
- Supports growth with National and strategic accounts

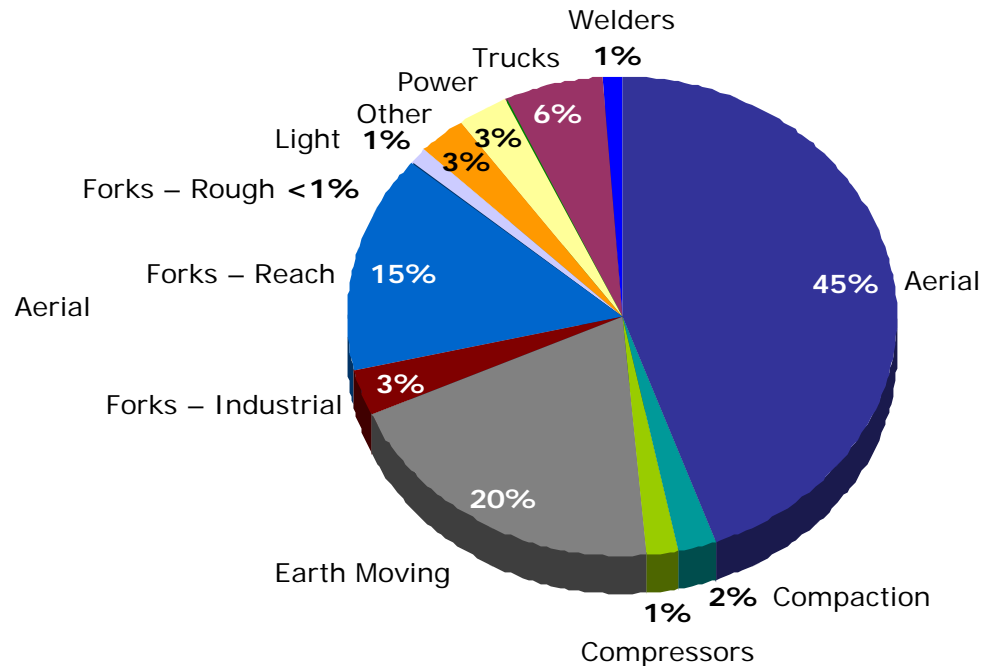
Industry Leading Technology

Fleet Mix Adjusted to Support Operation United

Current Fleet Mix







Target Fleet Mix



- \$4.3 billion of fleet comprised of 235,000 units
- Used sales will focus on Aerial fleet, while purchases will concentrate on Earth Moving, Power, Lighting, and Trucks

Meeting Our Customers' Fleet Needs

2,900 Equipment Classes with Original Cost of \$4.3B

	Booms and Lifts	Earth Moving	Forklifts	Trench and Other
				
% of 2011 Rental Revenue	39.7%	11.9%	14.4%	34.1%
Time Utilization	77.0%	54.3%	75.7%	32.3%
Dollar Utilization	37.1%	40.6%	37.6%	80.6%
Average Fleet Age* (in months)	52.1	44.6	49.9	36.6

Q4 Dollar Utilization 53.2% = 2.9 Percentage Point YOY Increase

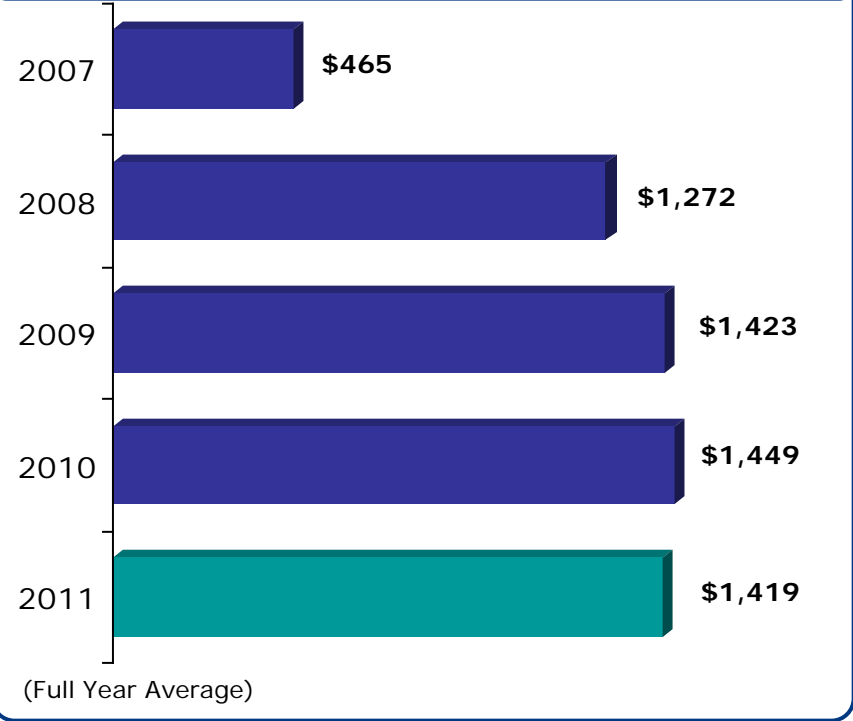
* Fleet age is calculated on a unit-weighted basis. Total fleet age is 46.4 months at 12/31/11 (45.6 months if adjusted for refurbishments)

Optimizing Fleet Usage

Improving Fleet Management Through Equipment Transfers

- In Q4, 34% of the fleet (based on OEC) was transferred on average.
- Increases equipment available for rent.
- Increases customer satisfaction.
- Reduces Capex requirement.

OEC Transfers* (\$MM)

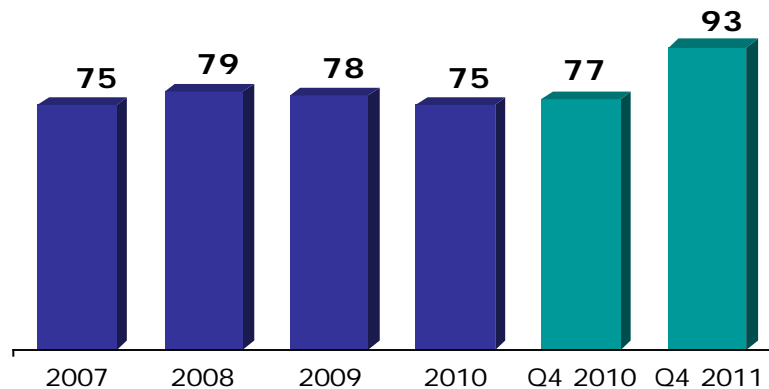


Fleet Transfers Improve Utilization

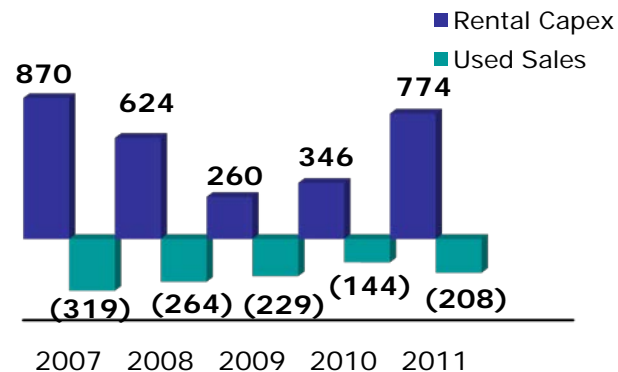
*Defined as equipment starting the month at one branch and ending the month at another

Managing Fleet with a Life Cycle Approach

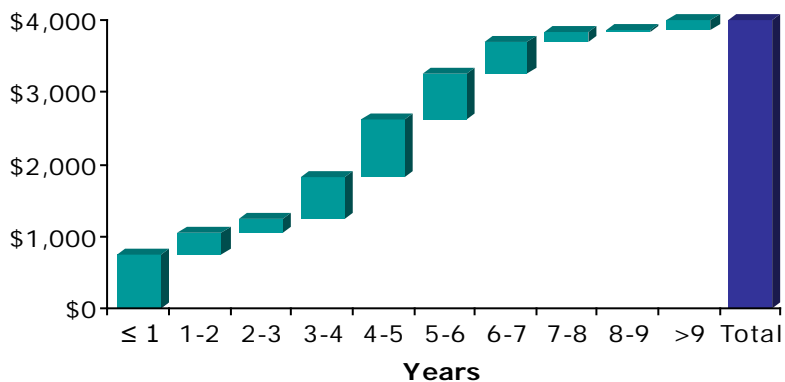
Selling Oldest Fleet (Age of Used Sales in Months*)



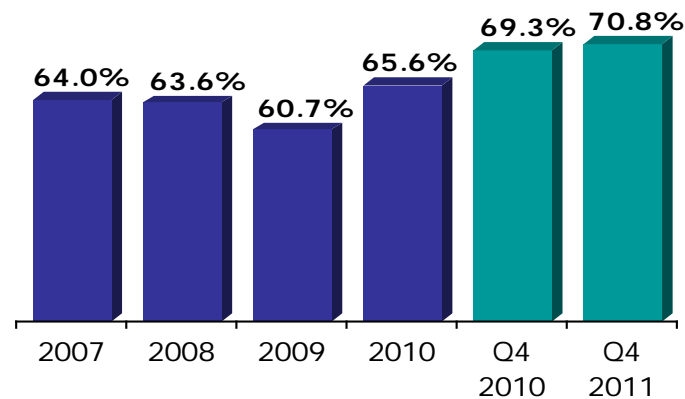
Rental Capex and Used Sales (\$MM)



Age Composition (\$MM)

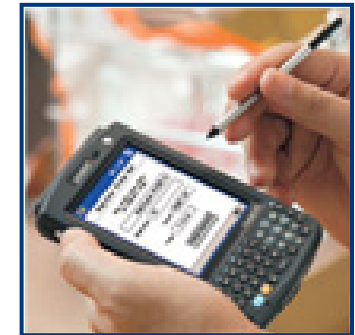


Time Utilization



FAST Improving Logistics

- Total branches on FAST*: 400
 - FAST Lite: 207
 - Full FAST: 193 handheld computers for delivery drivers
 - Trucks on FAST: approximately 1,500
 - Drivers using FAST: approximately 1,150
- Branches going on FAST in 2012: 32
- Sources of expected financial benefits:
 - Fuel – Route optimization (less miles driven)
 - Idle time reduction (achieved a 42% reduction)
 - Labor Cost Savings – Outside hauling, overtime, headcount
 - OEC scheduled for pick up: Incremental revenue from quicker turnaround



Cost Savings on Fuel and Outside Hauling

Safety as a Core Value

World Class Training and Education

- Annual safety education required for all employees
- Hazard awareness "24/7"
- Observation and Intervention training
- Driver Safety: hands-on and e-learning

Robust Support for Industrial Initiative

- Hired safety professionals dedicated to industrial support in 2011
- Revised and focused company's written safety program on industrial risk

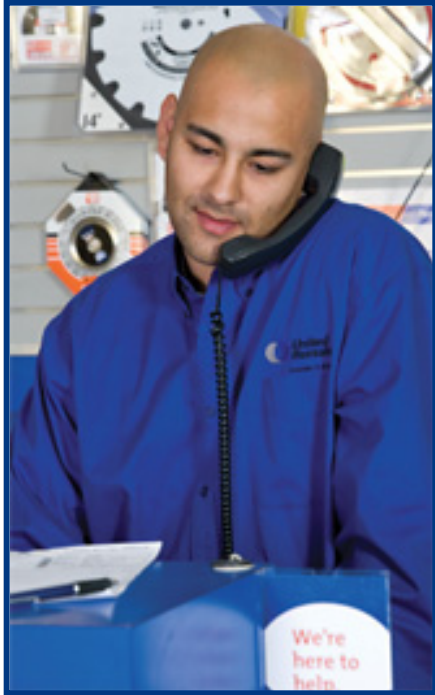
Mentoring Branch Management

- Safety blitzes and manager workshops
- Risk assessments and job safety analyses
- Root cause-focused investigations

More than 70% of branches at 0% recordable incidents

Customer Care Center Offers Competitive Edge

- Call Center operates 24/7, 365 days a year in three languages
- Focus on providing best in class, easy to do business with solution:
 - Drive Customer Loyalty = Increase Revenue
- The only national rental company to offer centralized reservations for all customers – take the deal off the street
- Acts as a single point of contact, including National Accounts
- Offers a significant value proposition for customers with centralized purchasing
 - Reservations increased 10% over last year



Customer Care Center Revenue Up 47% to \$66 Million vs. 2010

Strong Capital Structure Supports Our Future

Capital Structure

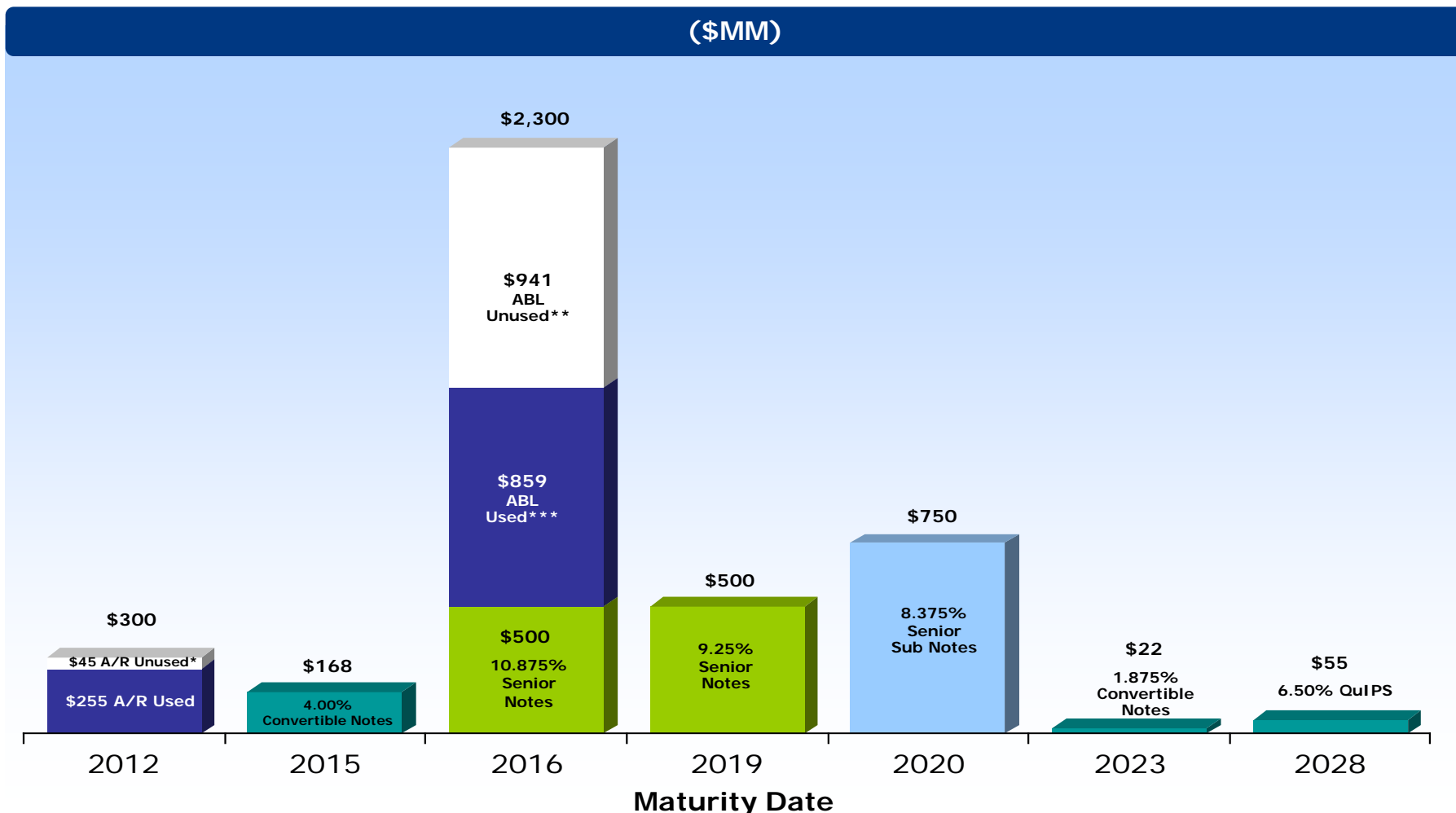
Provides flexibility.

No significant maturities until 2016.

Ample liquidity.

Strong, consistent cash flow.

Debt Maturity Profile as of 12/31/11



**Debt Maturities Extend into 2028
No Significant Debt Maturities Until 2016**

* \$7 was available as of 12/31/11
 ** \$929 was available as of 12/31/11.
 *** Includes \$50 of Letters of Credit

Flexible Capital Structure Provides Ample Liquidity and Time to Grow

- Over \$900MM in available liquidity, including cash, at 12/31/11
- Upsized existing ABL facility from \$1.36B to \$1.80B on 10/14/11
- ABL maintenance covenants continue to remain “sprung off”

(\$MM)	December 31, 2011
Senior Secured Bank Debt:	
ABL Facility	\$810
A/R Securitization	\$255
Senior Unsecured Notes (9.25%)	\$493
Senior Unsecured Notes (10.875%)	\$489
Senior Subordinated Notes (8.375%)	\$750
Convertible Senior Notes (4.00%)	\$129
Convertible Senior Sub Notes (1.875%)	\$ 22
Capital Leases & Other	\$ 39
Total Debt	\$2,987
QuIPS	\$55

Consistent Free Cash Flow Generation

- Generated \$1.3B of free cash flow since 2006.

Cash Flow 2006–2011 (\$MM)

	2006	2007*	2008	2009	2010**	2011
EBITDA	\$1,084	\$1,265	\$(117)	\$589	\$649	\$879
Cash Interest	(213)	(203)	(218)	(234)	(229)	(203)
Cash Taxes	(17)	(84)	(46)	(3)	49	(24)
Gain on Sale of Equipment	(102)	(89)	(69)	(6)	(41)	(66)
Goodwill Impairment Charge	--	--	1,147	--	--	--
Working Capital/Other	82	(30)	67	92	24	22
Cash from Operations	834	859	764	438	452	608
Rental Capex	(873)	(870)	(624)	(260)	(346)	(774)
Non-Rental Capex	(78)	(120)	(80)	(51)	(28)	(36)
Proceeds on Sale of Rental	335	319	264	229	144	208
Proceeds on Sale of Non-Rental	17	23	11	13	7	17
Cash Invested	(599)	(648)	(429)	(69)	(223)	(585)
Excess tax benefits from share based payment arrangements, net	--	31	--	(2)	(2)	--
Free Cash Flow (Usage)	\$235	\$242	\$335	\$367	\$227	\$23

* 2007 includes merger termination benefit of \$91MM.

** 2010 includes a \$55MM federal tax refund.

Q4 Results

Q4 2011 Rental Revenue

- Rental revenue: Increased 18.5% to \$589MM, compared with \$497MM for the same period last year
- Rates* +6.7% YOY and volume +15.1% YOY

Time Utilization

- Time utilization: Increased 1.5 percentage points, compared with the fourth quarter last year, to a fourth quarter record of 70.8%

Adjusted EBITDA

- Adjusted EBITDA of \$281MM increased \$100MM compared to last year
- Adjusted EBITDA margin of 37.7% increased 7.4 percentage points compared with last year

* Rental rate changes are calculated based on the year-over-year variance in average contract rates, weighted by current period revenue mix.

2012 Standalone Outlook¹

Rental Rates

- An increase in rental rates of 5%.

Time Utilization

- An increase of approximately 0.5 percentage points year-over-year.

Capex

- Net rental capital expenditures of between \$770 million and \$820 million, after gross purchases of approximately \$1.0 billion.

Free Cash Flow

- Free cash usage (negative flow) in the range of \$50 million to \$100 million.

¹Exclusive of any impact of proposed RSC merger

Summary: Transforming Our Company

Market Strategy

Segmentation strategy builds stronger relationships with most attractive customer groups while improving profitability of all other groups.

Optimization

Cost efficiencies at every level and expanded technology touch every aspect of our business.

Capital Structure

Strong capital structure provides flexibility.

Robust Earnings and EBITDA as Cycle Turns

Appendix



Adjusted Earnings Per Share GAAP Reconciliation

We define “Earnings per share from continuing operations – adjusted” as the sum of (i) earnings (loss) per share from continuing operations – GAAP, as reported plus the after-tax impacts of (ii) RSC merger related costs, (iii) restructuring charge, (iv) losses on repurchase/redemption of debt securities and retirement of subordinated convertible debentures and ABL amendment and (v) asset impairment charge. Management believes adjusted earnings per share from continuing operations provides useful information concerning future profitability. However, adjusted earnings per share from continuing operations is not a measure of financial performance under GAAP. Accordingly, adjusted earnings per share from continuing operations should not be considered an alternative to GAAP earnings (loss) per share from continuing operations. The table below provides a reconciliation between earnings (loss) per share from continuing operations – GAAP, as reported, and earnings per share from continuing operations – adjusted.

	Three Months Ended December 31,		Year Ended December 31,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Earnings (loss) per share from continuing operations - GAAP, as reported	\$ 0.39	\$ (0.29)	\$ 1.38	\$ (0.38)
After-tax impact of:				
RSC merger related costs (1)	0.25	-	0.25	-
Restructuring charge (2)	0.12	0.15	0.16	0.34
Losses on repurchase/redemption of debt securities and retirement of subordinated convertible debentures and ABL amendment (3)	0.03	0.24	0.04	0.28
Asset impairment charge (4)	0.03	0.06	0.04	0.09
Earnings per share from continuing operations - <u>adjusted</u>	<u>\$ 0.82</u>	<u>\$ 0.16</u>	<u>\$ 1.87</u>	<u>\$ 0.33</u>

- (1) Reflects transaction costs associated with the proposed acquisition of RSC.
- (2) Relates to branch closure charges and severance costs.
- (3) Reflects losses on the repurchase/retirement of debt securities and subordinated convertible debentures, and write-offs of debt issuance costs associated with the October 2011 amendment of our ABL facility.
- (4) Primarily reflects write-offs of leasehold improvements and other fixed assets.

EBITDA and Adjusted EBITDA GAAP Reconciliation

EBITDA represents the sum of net income (loss), (income) loss from discontinued operation, net of taxes, provision (benefit) for income taxes, interest expense, net, interest expense-subordinated convertible debentures, net, 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, and stock compensation expense, net. 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 December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Net income (loss)	\$ 29	\$ (21)	\$ 101	\$ (26)
(Income) loss from discontinued operation, net of taxes	(1)	4	-	4
Provision (benefit) for income taxes	28	(23)	63	(41)
Interest expense, net	58	85	228	255
Interest expense - subordinated convertible debentures, net	2	2	7	8
Depreciation of rental equipment	111	100	423	389
Non-rental depreciation and amortization	18	17	57	60
EBITDA (A)	245	164	879	649
RSC merger related costs (1)	19	-	19	-
Restructuring charge (2)	14	15	19	34
Stock compensation expense, net (3)	3	2	12	8
Adjusted EBITDA (B)	\$ 281	\$ 181	\$ 929	\$ 691

- (A) Our EBITDA margin was 32.8% and 27.5% for the three months ended December 31, 2011 and 2010, respectively, and 33.7% and 29.0% for the years ended December 31, 2011 and 2010, respectively.
- (B) Our adjusted EBITDA margin was 37.7% and 30.3% for the three months ended December 31, 2011 and 2010, respectively, and 35.6% and 30.9% for the years ended December 31, 2011 and 2010, respectively.

- (1) Reflects transaction costs associated with the proposed acquisition of RSC.
- (2) Relates to branch closure charges and severance costs.
- (3) Represents non-cash, share-based payments associated with the granting of equity instruments.

Reconciliation of Net Cash Provided by Operating Activities to EBITDA and Adjusted EBITDA

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Net cash provided by operating activities	\$ 155	\$ 109	\$ 608	\$ 452
Adjustments for items included in net cash provided by operating activities but excluded from the calculation of EBITDA:				
(Income) loss from discontinued operation, net of taxes	(1)	4	-	4
Amortization of deferred financing costs and original issue discounts	(5)	(6)	(22)	(23)
Gain on sales of rental equipment	24	11	66	41
(Loss) gain on sales of non-rental equipment	-	(1)	2	-
RSC merger related costs (1)	(19)	-	(19)	-
Restructuring charge (2)	(14)	(15)	(19)	(34)
Stock compensation expense, net (3)	(3)	(2)	(12)	(8)
Loss on repurchase/redemption of debt securities and ABL amendment (4)	(3)	(25)	(3)	(28)
Loss on retirement of subordinated convertible debentures	(1)	-	(2)	-
Changes in assets and liabilities	46	-	53	65
Cash paid for interest, including subordinated convertible debentures	62	89	203	229
Cash paid (received) for income taxes, net	4	-	24	(49)
EBITDA	245	164	879	649
RSC merger related costs (1)	19	-	19	-
Restructuring charge (2)	14	15	19	34
Stock compensation expense, net (3)	3	2	12	8
Adjusted EBITDA	\$ 281	\$ 181	\$ 929	\$ 691

(1) Reflects transaction costs associated with the proposed acquisition of RSC.

(2) Relates to branch closure charges and severance costs.

(3) Represents non-cash, share-based payments associated with the granting of equity instruments.

(4) Reflects losses on the repurchase/retirement of debt securities and writeoffs of debt issuance costs associated with the October 2011 amendment of our ABL facility.

Free Cash Flow GAAP Reconciliation

We define free cash 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 flow is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash flow should not be considered an alternative to net income (loss) 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.

	Three Months Ended December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Net cash provided by operating activities	\$ 155	\$ 109	\$ 608	\$ 452
Purchases of rental equipment	(143)	(59)	(774)	(346)
Purchases of non-rental equipment	(12)	(8)	(36)	(28)
Proceeds from sales of rental equipment	93	40	208	144
Proceeds from sales of non-rental equipment	6	1	17	7
Excess tax benefits from share-based payment arrangements, net	-	-	-	(2)
Free cash flow	\$ 99	\$ 83	\$ 23	\$ 227

ARA Metrics

- In September 2011, American Rental Association (ARA) released *Rental Market Metrics* whitepaper
 - Standardization of metrics provides consistent way for calculating and reporting critical performance metrics.
 - Publication provides definitions and calculations for original equipment cost (OEC), time (physical) utilization, financial (dollar) utilization, fleet age and period-over-period rental rate changes.
 - URI will adopt new ARA standards beginning with release of our first quarter 2012 results.
 - Standard set of metrics is sign of growth and maturity of industry.
- Key differences between current URI (“old basis”) methodology and ARA (“new basis”) methodology are as follows:
 - OEC – New basis calculation is based on GAAP gross book value. In old basis calculation, OEC is not reduced by volume rebates. In new basis calculation (consistent with GAAP), OEC will be reduced by value of volume rebates.
 - Time utilization – In old basis calculation, OEC excluded serialized assets less than \$5K. In new basis calculation, these assets will be included. Calculation also changes for new definition of OEC.
 - Fleet Age – Moving from unit-weighted measure of fleet age (old basis) to OEC-weighted measure (new basis).
 - Rental Rate – In new basis calculation, period-over-period rental rate changes will be weighted by prior period revenue mix, as opposed to current period revenue mix (old basis). In new basis calculation, impact of currency will be excluded from rental rate change calculation.

ARA Metrics Comparison

	Year ended 12/31/2009	Year ended 12/31/2010	Year ended 12/31/2011		Quarter ended 3/31/2009	Quarter ended 6/30/2009	Quarter ended 9/30/2009	Quarter ended 12/31/2009	Year ended 12/31/2009	Quarter ended 3/31/2010	Quarter ended 6/30/2010	Quarter ended 9/30/2010	Quarter ended 12/31/2010	Year ended 12/31/2010	Quarter ended 3/31/2011	Quarter ended 6/30/2011	Quarter ended 9/30/2011	Quarter ended 12/31/2011	Year ended 12/31/2011
QEC																			
New basis-	3,506	3,558	3,928																
Old basis-	3,763	3,791	4,290																
Fleet age																			
New basis-	45.0	50.9	49.1																
Old basis-	42.4	47.7	46.4																
Time Utilization																			
New basis-	54.7%	60.0%	62.7%	60.4%	59.4%	55.1%	63.9%	69.6%	67.7%	64.2%	61.2%	67.4%	71.8%	69.4%	67.6%				
Old basis-	56.1%	61.3%	64.2%	61.8%	60.7%	56.2%	65.4%	71.3%	69.3%	65.6%	62.4%	69.0%	73.5%	70.8%	69.1%				
Rental rate																			
New basis-	-9.1%	-12.3%	-11.2%	-11.1%	-10.9%	-8.8%	-3.8%	-2.2%	0.5%	-3.5%	3.2%	5.1%	6.4%	6.3%	5.3%				
Old basis-	-11.5%	-14.0%	-11.8%	-9.6%	-11.8%	-6.5%	-2.0%	-1.4%	1.2%	-2.1%	4.2%	6.1%	7.5%	6.7%	6.1%				

Corporate Governance

Focus on Best Practices

- Amended Company charter to eliminate Board classes
- Board and each committee have express authority to retain outside advisors
- Board and each committee perform an annual self-assessment
- All directors attended at least 75% of the meetings of the Board and committees of which they were a member during the past year
- Board has adopted stock ownership guidelines for officers and directors
- 10 of 11 directors are independent
- Roles of Chairman and CEO are separated and the Chairman is an independent director
- Each of the Compensation, Audit and Nominating & Corporate Governance Committees is comprised solely of independent directors
- Board elected not to renew or extend the stockholder rights plan
- Three members of the Audit Committee are financial experts

Convertible Senior Notes

How the Convertible Works

- In November 2009, URI issued \$172.5MM of convertible senior notes due 2015. Notes carry a 4.0% coupon and are convertible at an initial conversion price of \$11.11 per share
 - Net share settlement election means par amount paid in cash, in-the-money portion settled in stock or cash
 - The current outstanding balance of the 4.00% notes is \$168MM
- The company separately entered into hedge transactions which significantly reduce potential dilution associated with the convertible senior notes
 - Hedge transactions effectively increase conversion price to \$15.56 per share, subject to change in certain circumstances
 - Economically, there is no dilution until stock price exceeds \$15.56 per share

- Hypothetical examples:

Assumed Stock Price	Net Shares Issued Upon Conversion	Potential Accounting EPS Dilution
\$11.11 or below	None	None
\$15.56	None	4.3MM shares
\$20.00	3.4MM shares	6.7MM shares
\$25.00	5.7MM shares	8.4MM shares
\$30.00	7.3MM shares	9.5MM shares

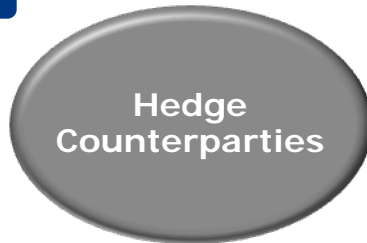
- In the fourth quarter 2011, the average stock price was \$25.04, and 8.4MM shares were included in the diluted share count.

Mechanics of Convert and Hedge

Share Delivery at Conversion for \$168MM

Assumed
Stock
Price

\$9



\$12

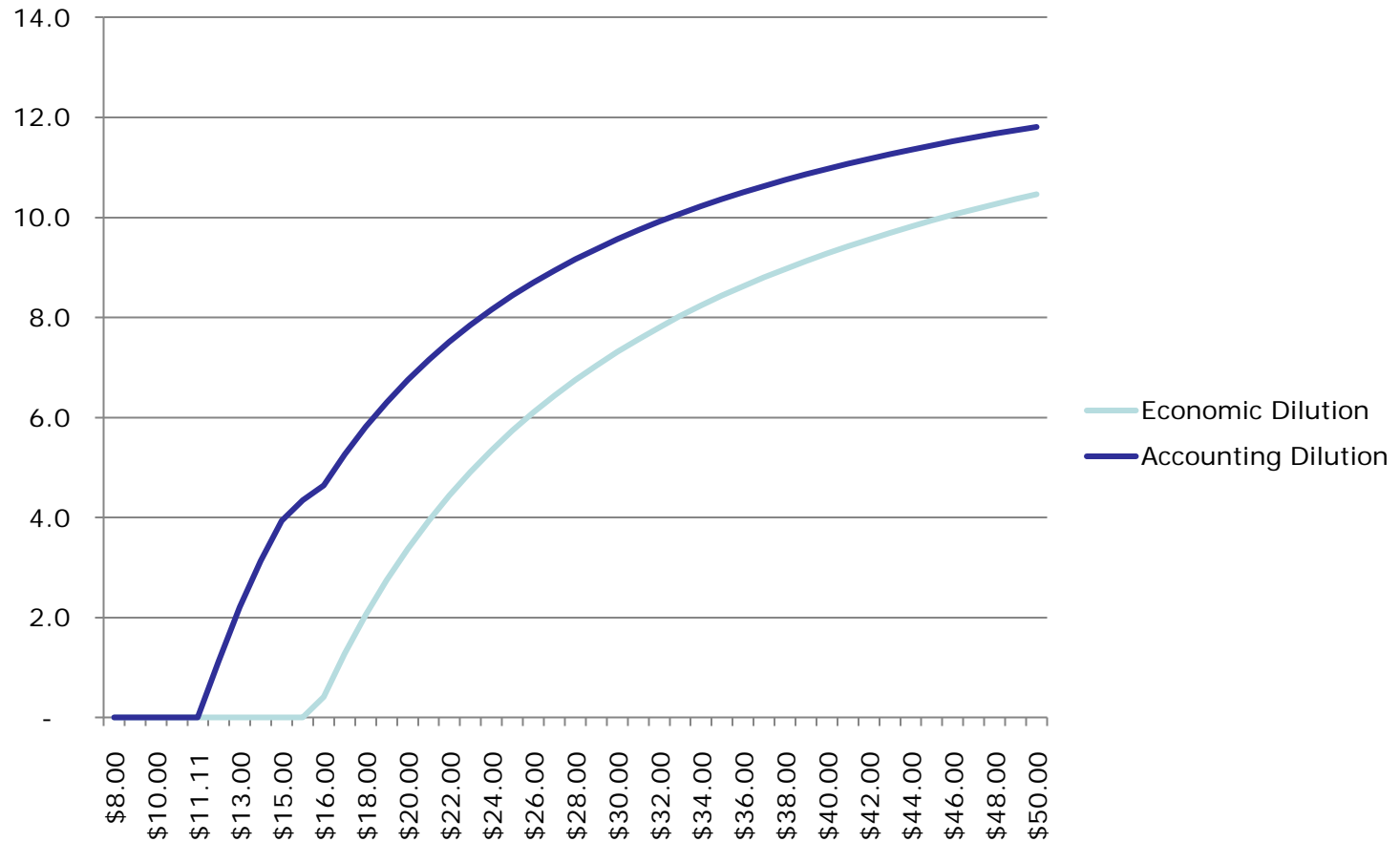


\$35



Dilution Impact of Conversion

Economic & Accounting Dilution



Glossary of Terms

- 1. Capex:** Capital expenditures represent the amount reported in our statements of cash flows for the purchase of rental and non-rental equipment.
- 2. Dollar Utilization:** Annualized rental revenue, excluding re-rent, divided by the average original equipment cost.
- 3. EBITDA:** Is a measure of operating performance and is calculated as the sum of net income (loss), loss from discontinued operation, net of taxes, provision (benefit) for income taxes, interest expense, net, interest expense-subordinated convertible debentures, net, depreciation of rental equipment and non-rental depreciation and amortization.
- 4. Free Cash (Usage) Flow:** Free cash (usage) flow is a measure of cash flow available to satisfy debt obligations and working capital requirements, and is calculated as net cash provided by operating activities, less purchases of rental and non-rental equipment plus proceeds from sales of rental and non-rental equipment and excess tax benefits from share-based payment arrangements, net.

Glossary of Terms

5. **Fleet Age:** The unit weighted age of the entire fleet, excluding the benefit of refurbishments.
6. **OEC:** Original Equipment Cost; the cost of an asset at the time it was originally purchased.
7. **Rental Rate:** The percentage change in the rate/price that is charged for equipment on rent. Overall company rental rates change based on a combination of pricing, fleet composition and term of rental. This metric is used to evaluate rate changes both year-over-year and sequentially (typically quarter-over-quarter). Rental rate changes are calculated based on the year-over-year or sequential variance in average contract rates, weighted by current period revenue mix.
8. **Time Utilization:** Amount of time an asset is on rent divided by the amount of time the asset has been owned. Also known as physical utilization.