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)*

***With copies to:***

**Matthew E. Kaplan, Esq.**
**Jeffrey J. Rosen, Esq.**
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**New York, New York 10005**
**(212) 701-3000**

**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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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**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.

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**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.

## 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

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.

* * * *

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.

## 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 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Year Ended December 31, | | | Nine Months Ended September 30, | | Pro Forma for the Recapitalization for the Twelve Months Ended September 30, | Pr Forr for t Recapita and adjus for t Offer for t Twe Mon End Septeml |
| | 2003 | 2004 | 2005 | 2005 | 2006 | 2006 | 200 |
| | ($ in thousands) | | | | | | |
| **nent of income data:** | | | | | | | |
| ues: | | | | | | | |
| nent rental revenue | $ 899,203 | $ 984,517 | $ 1,140,329 | $ 825,401 | $ 1,008,646 | $ 1,323,574 | $ |
| f merchandise | 178,374 | 162,720 | 102,894 | 77,005 | 70,773 | 96,662 | |
| f used rental equipment | 140,424 | 181,486 | 217,534 | 161,067 | 147,893 | 204,360 | |
| **revenues** | 1,218,001 | 1,328,723 | 1,460,757 | 1,063,473 | 1,227,312 | 1,624,596 | |
| f revenues: | | | | | | | |
| f equipment rentals, ing depreciation | 494,056 | 492,323 | 527,208 | 390,833 | 436,339 | 572,714 | |
| ciation rental equipment | 187,859 | 192,323 | 212,325 | 156,358 | 186,277 | 242,244 | |
| f sales of merchandise | 138,056 | 122,873 | 69,914 | 52,777 | 43,649 | 60,787 | |
| f rental equipment sales | 110,458 | 147,131 | 173,276 | 129,589 | 112,889 | 156,575 | |
| **cost of revenues** | 930,429 | 954,650 | 982,723 | 729,557 | 779,154 | 1,032,320 | |
| profit | 287,572 | 374,073 | 478,034 | 333,916 | 448,158 | 592,276 | |
| operating expenses: | | | | | | | |
| , general, and strative | 128,044 | 118,130 | 122,281 | 89,093 | 99,164 | 144,478 | |
| ciation and zation non-rental | 32,320 | 32,641 | 33,776 | 25,343 | 28,419 | 36,852 | |
| operating expenses | 160,364 | 150,771 | 156,057 | 114,436 | 127,583 | 181,330 | |
| **ting income** | 127,208 | 223,302 | 321,977 | 219,480 | 320,575 | 410,946 | |
| t expense | 54,983 | 45,666 | 64,280 | 49,428 | 73,553 | 254,690 | |
| ncome, net | (119) | (58) | (100) | (113) | (311) | (298) | |
| e before provisions for e taxes | 72,344 | 177,694 | 257,797 | 170,165 | 247,333 | 156,554 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| on for income taxes | 26,437 | 66,717 | 93,600 | 60,154 | 92,848 | 58,770 | |
| **come** | $ 45,907 | $ 110,977 | $ 164,197 | $ 110,011 | $ 154,485 | $ 97,784 | $ |
| rma weighted average outstanding (in ns) (unaudited) (1) | | | | | | | |
| and diluted | | | | | | | |
| rma earnings per share ited) (1) | | | | | | | |
| and diluted | | | | | | | |
| **financial data:** | | | | | | | |
| DA (2) | $ 347,387 | $ 448,266 | $ 568,078 | $ 401,181 | $ 535,271 | $ 690,042 | $ |
| ed EBITDA (2) | 347,819 | 449,575 | 571,155 | 403,583 | 536,081 | 703,653 | |
| ed EBITDA margin | 28.6% | 33.8% | 39.1% | 37.9% | 43.7% | 43.3% | |
| ciation of rental nent and depreciation nortization of non-rental | 220,179 | 224,964 | 246,101 | 181,701 | 214,696 | 279,096 | |
| l expenditures: | | | | | | | |
| | $ 243,777 | $ 419,900 | $ 691,858 | $ 537,136 | $ 640,238 | $ 794,960 | $ |
| ental | 9,727 | 33,490 | 4,641 | 1,711 | 16,757 | 19,686 | |
| ds from sales of used nent and non-rental nent | (146,956) | (215,622) | (233,731) | (173,694) | (161,091) | (221,128) | |
| **pital expenditures** | $ 106,548 | $ 237,768 | $ 462,768 | $ 365,153 | $ 495,904 | $ 593,518 | $ |
| **operational data dited):** | | | | | | | |
| tion (3) | 63.9% | 67.7% | 70.6% | 69.7% | 71.9% | 72.2% | |
| ge fleet age (months) | 44.0 | 40.0 | 30.2 | 32.1 | 24.6 | 24.6 | |
| store revenues growth | 0.9% | 11.8% | 17.6% | 20.3% | 21.0% | 21.1% | |
| yees (4) | 4,991 | 4,812 | 4,938 | 4,881 | 5,114 | 5,114 | |

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| | Historical September 30, 2006 | Pro Forma for the Recapitalization as of September 30, 2006 ($ in thousands) | Pro Forma for the Recapitalization and as adjusted for the Offering as of September 30, 2006 |
|---|---|---|---|
| **Balance sheet data:** | | | |
| **Assets** | | | |
| Cash | $ 639 | $ 4,854 | $ |
| Accounts receivable, net | 268,833 | 268,833 | |
| Inventory | 18,953 | 18,953 | |
| Rental equipment, net | 1,761,617 | 1,761,617 | |
| Property and equipment, net | 162,549 | 162,549 | |
| Goodwill | 925,621 | 925,621 | |
| Other assets | 13,772 | 82,455 | |
| **Total assets** | $ 3,151,984 | $ 3,224,882 | $ |
| **Liabilities** | | | |
| Accounts payable | $ 412,106 | $ 412,106 | $ |
| Accrued expenses and other liabilities | 177,949 | 177,949 | |
| Debt | 1,302,651 | 2,996,601 | |
| Deferred income taxes | 295,694 | 295,694 | |
| **Total liabilities** | 2,188,400 | 3,882,350 | |
| **Stockholders equity (deficit)** | | | |
| Preferred stock (50,000 authorized; no shares issued and outstanding) | | | |
| Series A preferred stock (200 shares authorized; 154 shares issued and outstanding) | 350,000 | | |
| Common stock, without par value (100,000 shares authorized; 88,339 shares issued and outstanding actual) (5) | 1,115,722 | 1,465,722 | |
| Accumulated deficit | (513,733) | (2,134,785) | |
| Accumulated other comprehensive income | 11,595 | 11,595 | |
| **Total stockholders equity (deficit)** | $ 963,584 | $ (657,468) | $ |
| **Total liabilities and stockholders equity (deficit)** | $ 3,151,984 | $ 3,224,882 | $ |

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The following table reconciles net income to EBITDA and Adjusted EBITDA:

| | Historical | | | | | Pro Forma for the Recapitalization for the Twelve Months Ended | Pro Forma for the Recapitalization and as adjusted for the Offering for the Twelve Months Ended |
|---|---|---|---|---|---|---|---|
| | Year Ended December 31, | | | Nine Months Ended September 30, | | September 30, | September 30, |
| | 2003 | 2004 | 2005 | 2005 | 2006 | 2006 | |
| | ($ in thousands) | | | | | | |
| Net income | $ 45,907 | $ 110,977 | $ 164,197 | $ 110,011 | $ 154,485 | $ 97,784 | $ |
| Depreciation of rental equipment and depreciation and amortization of non-rental | 220,179 | 224,964 | 246,101 | 181,701 | 214,696 | 279,096 | |
| Interest expense | 54,983 | 45,666 | 64,280 | 49,428 | 73,553 | 254,690 | |
| Provision for income taxes | 26,437 | 66,717 | 93,600 | 60,154 | 92,848 | 58,770 | |
| Other income, net | (119) | (58) | (100) | (113) | (311) | (298) | |
| EBITDA | $ 347,387 | $ 448,266 | $ 568,078 | $ 401,181 | $ 535,271 | $ 690,042 | $ |
| Adjustments: | | | | | | | |
| Share appreciation rights(a) | 432 | 1,309 | 3,077 | 2,402 | 810 | 1,485 | |
| Transaction costs and management fees(b) | | | | | | 12,126 | |
| Adjusted EBITDA | $ 347,819 | $ 449,575 | $ 571,155 | $ 403,583 | $ 536,081 | $ 703,653(c) | $ |

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(a) RSC Holdings Inc. has a liability for key employee share appreciation rights ( SARS ). SARS do not entitle the holder to acquire shares, but only to receive, in cash, from ACAB the difference between the price of ACAB s A-shares at exercise and the price of those shares determined at the grant date.

(b) Transaction costs include one-time fees and expenses related to the consummation of the Recapitalization and not otherwise amortized or applied to stockholders equity. The pro forma amount shown also includes annual management fees of $6 million.

(c) Does not reflect an estimate of approximately $3.4 million of legal, tax and other costs that we will assume for services previously provided to us by ACAB.

(1) Basic and diluted pro forma weighted average shares outstanding give effect to the Recapitalization and the issuance of shares sold in this offering. Pro forma basic and diluted earnings per share for the twelve months ended September 30, 2006 is computed by dividing pro forma earnings by the pro forma weighted average number of shares outstanding for the period.

(2) We present EBITDA in this prospectus because we believe it provides investors with important additional information to evaluate our performance. We believe EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry, although our method of calculating EBITDA and Adjusted EBITDA may vary from the method used by other companies. In addition, we believe that investors, analysts and rating agencies will consider EBITDA useful in measuring our ability to meet our debt service obligations. However, EBITDA is not a recognized measurement under U.S. Generally Accepted Accounted Principles ( GAAP ), and when analyzing our performance, investors should use EBITDA in addition to, and not as an alternative to, net income or net cash provided by operating activities as defined under GAAP.

Adjusted EBITDA as presented herein is a financial measure used in the credit agreements for RSC s Senior ABL Facilities and Senior Term Facility. Adjusted EBITDA is not a recognized measurement under GAAP and should not be considered as an alternative to operating income or net income as a measure of operating results or cash flows as a measure of liquidity. Adjusted EBITDA differs from the term EBITDA as it is commonly used. Adjusted EBITDA generally is defined as consolidated net income before consolidated net interest expense, consolidated income taxes, consolidated depreciation and amortization, other non-cash expenses and charges deducted in determining consolidated net income (loss), non-cash provisions for reserves for discontinued operations, extraordinary, unusual or non-recurring items, gain or loss associated with the sale or write down of assets not in the ordinary course of business, certain management fees paid to Ripplewood Holdings L.L.C. and Oak Hill Capital Management, LLC, and the cumulative effect of accounting changes and earnings of, but including cash dividends or distributions from, non-controlled affiliates. In addition, Adjusted EBITDA is reduced by the amount of certain permitted dividends to RSC Holdings.

Borrowings under our Senior ABL Facilities (as defined under Recent Transactions The Recapitalization ) are a key source of our liquidity. Our ability to borrow under our Senior ABL Facilities (as defined under Recent Transactions The Recapitalization ) depends upon, among other things, the maintenance of a sufficient borrowing base under the Senior ABL Facilities. If we fail to maintain a specified minimum level of borrowing capacity under the Senior ABL Facilities, we will then be subject to financial covenants under the Senior ABL Facilities, including a specified debt to EBITDA (as adjusted) leverage ratio and a specified EBITDA (as adjusted) to fixed charges coverage ratio. Failure to comply with these financial ratio covenants would result in a default under the credit agreement for our Senior ABL Facilities and, absent a waiver or an amendment from our lenders, permit the acceleration of all outstanding borrowings under our Senior ABL Facilities. For further information on the terms of the Senior ABL Facilities, see Description of Certain Indebtedness Senior ABL Facilities.

(3) Utilization is defined as the average dollar value of equipment currently rented by customers (based on original equipment cost) for the relevant period divided by the average aggregate dollar value of all equipment (based on original equipment cost) for the relevant period.

(4) Employee count is given as of the end of the period indicated.

(5) 23,951 shares were issued and outstanding on a pro forma basis after giving effect to the Recapitalization and the use of the net proceeds therefrom (not including the effect of a 1 for 100 stock split on November 27, 2006), and shares were issued and outstanding on a pro forma basis for the Recapitalization and the use of the net proceeds therefrom and as adjusted for this offering and the use of the net proceeds therefrom.

## RISK FACTORS

*Our business is subject to a number of important risks and uncertainties, some of which are described below. Any of these risks may have a material adverse effect on our business, financial condition, results of operations and cash flows. In such a case, you may lose all or part of your investment in our common stock.*

### Risks Related to Our Business

**Our business could be hurt by a decline in non-residential construction and industrial activities or a decline in the amount of construction equipment that is rented.**

As of September 30, 2006 and December 31, 2005, our non-residential construction and industrial customers together accounted for approximately 94% of our total revenues. A weakness in non-residential construction or industrial activity, or a decline in the desirability of renting equipment, may decrease the demand for our equipment or depress the prices we charge for our products and services. We have identified below certain factors which may cause weakness, either temporary or long-term, in the non-residential construction and industrial sectors:

- weakness in the economy or the onset of a recession;
- an increase in the cost of construction materials;
- an increase in interest rates;
- adverse weather conditions or natural disasters which may temporarily affect a particular region; or
- terrorism or hostilities involving the United States or Canada.

A weakness in the non-residential construction and industrial sectors caused by these or other factors could have a material adverse effect on our business, financial conditions, results of operations and cash flows and may have a material adverse effect on residual values realized on the disposition of our rental equipment.

**We face intense competition that may lead to our inability to increase or maintain our prices, which could have a material adverse impact on our results of operations.**

The equipment rental industry is highly competitive and highly fragmented. Many of the markets in which we operate are served by numerous competitors, ranging from national equipment rental companies, like ourselves, to smaller multi-regional companies and small, independent businesses with a limited number of locations. See Business Competition. Some of our principal competitors are less leveraged than we are, have greater financial resources, may be more geographically diversified, may have greater name recognition than we do and may be better able to withstand adverse market conditions within the industry. We generally compete on the basis of, among other things, quality and breadth of service, expertise, reliability, price and the size, mix and relative attractiveness of our rental equipment fleet, which is significantly affected by the level of our capital expenditures. If we are required to reduce or delay capital expenditures for any reason, including due to restrictions contained in the Senior Credit Facilities or the indenture governing the Notes, the aging of our rental fleet may place us at a disadvantage compared to our competitors and adversely impact our pricing. In addition, our competitors may seek to compete aggressively on the basis of pricing. To the extent that we choose to match our competitors downward pricing, it could have a material adverse impact on our results of operations. To the extent that we choose not to match or remain within a reasonable competitive distance from our competitors pricing, it could also have a material adverse impact on our results of operations, as we may lose rental volume.

We may also encounter increased competition from existing competitors or new market entrants in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**Our revenues and operating results may fluctuate and any unexpected periods of decline could have a material adverse effect on our business, financial condition, results of operations and cash flows.**

Our revenues and operating results have varied historically from period to period and may continue to do so. We have identified below certain of the factors which may cause our revenues and operating results to vary:

- changes in demand for our equipment or the prices we charge due to changes in economic conditions, competition or other factors;
- the timing of expenditure for new equipment and the disposal of used equipment;
- changes in the interest rates applicable to our variable rate debt;
- general economic conditions in the markets where we operate;
- the cyclical nature of our customers businesses, particularly those operating in the non-residential construction and industrial sectors;
- price changes in response to competitive factors;
- seasonal rental patterns, with rental activity tending to be lowest in the winter;
- timing of acquisitions and new location openings and related costs;
- labor shortages, work stoppages or other labor difficulties;
- possible unrecorded liabilities of acquired companies;
- our effectiveness in integrating acquired businesses and new locations into our existing operations; and
- possible write-offs or exceptional charges due to changes in applicable accounting standards, impairment of obsolete or damaged equipment or other assets, or the refinancing of our existing debt.

One or a number of these factors could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**Our expenses could increase and our relationships with our customers could be hurt if there is an adverse change in our relationships with our equipment suppliers or if our suppliers are unable to provide us with products we rely on to generate revenues.**

All of our inventory consists of equipment products that we purchase from various suppliers and manufacturers. We rely on these suppliers and manufacturers to provide us with equipment which we then rent to our customers. We have not entered into any long-term equipment supply arrangements with manufacturers. To the extent we are unable to rely on these suppliers and manufacturers, either due to an adverse change in our relationships with them, or if they significantly raised their costs, or such suppliers or manufacturers simply are unable to supply us with equipment in a timely manner, our business could be adversely affected through higher costs or the resulting potential inability to service our customers. We may experience delays in receiving equipment from some manufacturers due to factors beyond our control, including raw material shortages, and, to the extent that we experience any such delays, our business could be hurt by the resulting inability to service our customers.

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In addition, while we have negotiated favorable payment terms with the suppliers that provide us with the majority of our equipment, these payment terms may not be available to us at a later time.

**If our operating costs increase as our rental fleet ages and we are unable to pass along such costs, our earnings will decrease.**

As our fleet of rental equipment ages, the cost of maintaining such equipment, if not replaced within a certain period of time, will likely increase. The costs of maintenance may materially increase in the future. Any material increase in such costs could have a material adverse effect on our business, financial condition and results of operations.

**The cost of new equipment we use in our rental fleet is increasing and therefore we may spend more for replacement equipment, and in some cases we may not be able to procure equipment on a timely basis due to supplier constraints.**

The cost of new equipment used in our rental fleet increased in 2005 and 2006. These cost increases are due primarily to increased material costs, including increases in the cost of steel, which is a primary material used in most of the equipment we use, and increases in the cost of fuel, which is used in the manufacturing process and in delivering equipment to us. Although these increases did not have a significant impact on our financial conditions and results of operations in the last fiscal year, these increases could materially adversely impact our financial condition and results of operations in future periods.

**Our rental fleet is subject to residual value risk upon disposition.**

The market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including:

- the market price for new equipment of a like kind;
- wear and tear on the equipment relative to its age and the performance of preventive maintenance;
- the time of year that it is sold;
- worldwide and domestic demand for used equipment; and
- general economic conditions.

We include in income from operations the difference between the sales price and the depreciated value of an item of equipment sold. Changes in our assumptions regarding depreciation could change both our depreciation expense as well as the gain or loss realized upon disposal of equipment. Sales of our used rental equipment at prices that fall significantly below our projections, or our inability to sell such equipment at all, could have a negative impact on our results of operations.

**Our reliance on available borrowings under our Senior ABL Facilities and cash from operating activities to purchase new equipment subjects us to a number of risks, many of which are beyond our control.**

We rely significantly on available borrowings under our Senior ABL Facilities to purchase equipment. As of November 27, 2006 (the Recapitalization Closing Date ), we had commitments for $576 million of available borrowings under the revolving credit portion of our Senior ABL Facilities (including amounts used to refinance existing letters of credit, of which approximately $42 million was outstanding as of the closing of the

Recapitalization), which amount is subject to potential reduction as a result of our obligation to make a payment to ACF in respect of a post-closing adjustment to the recapitalization purchase price, or the Recapitalization Purchase Price , as described under Recent Transactions The Recapitalization The Recapitalization Agreement , and subject to the covenants and other financial restrictions set forth therein. If our access to such financing were unavailable, reduced or were to become significantly more expensive for any reason, including, without limitation, due to our inability to meet the coverage ratio or leverage ratio tests in our Senior ABL Facilities or satisfy any other condition in the facilities or due to an increase in interest rates generally, we may not be able to finance new equipment acquisitions on favorable terms, or at all. In addition, if we are unable to generate excess cash from operating activities after servicing our debt due to negative economic or industry trends including, among others, those set forth above under Our business could be hurt by a decline in non-residential construction and industrial activities or a decline in the amount of construction equipment that is rented and We face intense competition that may lead to downward pricing, or an inability to increase prices, which could have a material adverse impact on our results of operations, and we are not able to finance new equipment acquisitions, we may not be able to make necessary equipment rental acquisitions at all.

**Any failure of ACAB and ACF to indemnify us against and defend us from certain claims in accordance with the terms of the Recapitalization Agreement could have a material adverse effect on us.**

Pursuant to the Recapitalization Agreement, and subject to certain limitations set forth therein, ACAB and ACF have agreed to indemnify RSC Holdings and its subsidiaries, including each of RSC and RSC Holdings III, LLC, against and defend us from all losses, including costs and reasonable expenses, resulting from certain claims related to the Recapitalization and our business, including, without limitation: claims alleging exposure to silica and asbestos; the transfer of certain businesses owned by RSC Holdings but not acquired by the Sponsors in connection with the Recapitalization; certain employee-related matters; any activities, operations or business conducted by RSC Holdings or any of its affiliates other than our business; and certain tax matters. ACAB s and ACF s indemnity for claims related to alleged exposure to silica entitles us to coverage for one-half of all silica related losses until the aggregate amount of such losses equals $10 million and to coverage for such losses in excess of $10 million until the aggregate amount of such losses equals $35 million. ACAB s and ACF s general indemnity for breach of representations and warranties related to our business covers aggregate losses in excess of $33 million, excluding any individual loss of less than $75,000, and the maximum we can recover is 20% of the Recapitalization Purchase Price, as adjusted in accordance with the Recapitalization Agreement. Furthermore, ACAB and ACF may not have sufficient assets, income and access to financing to enable them to satisfy their indemnification obligations under the Recapitalization Agreement or that they will continue to honor those obligations. If ACAB or ACF do not satisfy or otherwise honor their obligations, we may be forced to bear the losses described above. Any failure by ACAB or ACF to perform these obligations could have a material adverse effect on us.

**Disruptions in our information technology systems could limit our ability to effectively monitor and control our operations and adversely affect our operating results.**

Our information technology systems facilitate our ability to monitor and control our operations and adjust to changing market conditions. Any disruptions in these systems or the failure of these systems to operate as expected could, depending on the magnitude of the problem, materially adversely affect our financial condition or operating results by limiting our capacity to effectively monitor and control our operations and adjust to changing market conditions in a timely manner. In addition, because our systems contain information about individuals and businesses, our failure to maintain the security of the data we hold, whether the result of our own error or the malfeasance or errors of others, could harm our reputation

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or give rise to legal liabilities leading to lower revenues, increased costs and other material adverse effects on our results of operations.

**After this offering, the Sponsors or their affiliates may compete directly against us.**

Corporate opportunities may arise in the area of potential competitive business activities that may be attractive to us as well as to one or more of the Sponsors or their affiliates, including through potential acquisitions by one or more Sponsors or their affiliates of competing businesses. Any competition could intensify if an affiliate or subsidiary of one or more of the Sponsors were to enter into or acquire a business similar to our equipment rental operations. Given that after the consummation of this offering we will not be controlled by any one of the Sponsors, the Sponsors and their affiliates may be inclined to direct relevant corporate opportunities to entities which they control individually rather than to us. In addition, our amended and restated certificate of incorporation will provide that the Sponsors are under no obligation to communicate or offer any corporate opportunity to us, even if such opportunity might reasonably have been expected to be of interest to us or our subsidiaries. See Description of Capital Stock and Certain Relationships and Related Party Transactions Stockholders Agreement.

**ACAB may compete against us in the future.**

Certain affiliates of ACAB are participants in the equipment rental industry. In addition, following the expiration of a non-compete provision in the Recapitalization Agreement two years following the Recapitalization Closing Date, ACAB and its affiliates will be free to compete with us in the rental equipment industry in the United States and Canada. In addition, nothing in the Recapitalization Agreement prohibits ACAB and its affiliates from (i) conducting (a) any business they conduct immediately prior to closing, including the operation of the Prime Energy division s oil-free compressor equipment rental and sales business, which was transferred to an affiliate of ACAB, (b) the business of selling, renting (as long as such renting is not in competition with our business) and leasing products they manufacture, or selling used equipment, (c) the rental equipment business outside of the United States and Canada, (ii) investing in or holding not more than 10% of the outstanding capital stock of an entity that competes with us or (iii) acquiring and continuing to own and operate an entity that competes with us, provided the rental revenues of such entity in the United States and Canada account for no more than 20% of such entity s consolidated revenues at the time of such acquisition. Therefore, notwithstanding the non-compete provision of the Recapitalization Agreement,

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ACAB and its affiliates may, to the extent described above, compete against us. We have not instituted any formal plans to address any conflicts of interest that may arise.

**If we acquire any businesses in the future, they could prove difficult to integrate, disrupt our business, or have an adverse effect on our results of operations.**

We intend to pursue growth primarily through internal growth, but from time to time we may consider opportunistic acquisitions which may be significant. Any future acquisition would involve numerous risks including, without limitation:

- potential disruption of our ongoing business and distraction of management;
- difficulty integrating the acquired business; and
- exposure to unknown liabilities, including litigation against the companies we may acquire.

If we make acquisitions in the future, acquisition-related accounting charges may affect our balance sheet and results of operations. In addition, the financing of any significant acquisition may result in changes in our capital structure, including the incurrence of additional indebtedness. We may not be successful in addressing these risks or any other problems encountered in connection with any acquisitions.

**If we fail to retain key management and personnel, we may be unable to implement our business plan.**

The most important factor in our ability to profitably execute our business plan is our ability to attract, develop and retain qualified personnel, particularly regional and district management. Our success in attracting and retaining qualified people is dependent on the resources available in individual geographic areas and the impact on the labor supply due to general economic conditions as well as our ability to provide a competitive compensation package and work environment.

**We are exposed to various possible claims relating to our business and our insurance may not fully protect us.**

We are exposed to various possible claims relating to our business. These possible claims include those relating to (1) personal injury or death caused by equipment rented or sold by us, (2) motor vehicle accidents involving our vehicles and our employees, (3) employment-related claims and (4) commercial claims. Currently, we believe that we have adequate insurance coverage for the protection of our assets and operations. However, such insurance may not fully protect us for a number of reasons including:

- the insurance policies relating to our operations are subject to deductibles or self-insured retentions of $1 million for general liability and $1.5 million for automobile liability, on a per occurrence basis and $500,000 per occurrence for workers compensation claims;
- our general liability policy provides coverage for sudden and accidental pollution for up to $3 million; and
- certain types of claims, such as claims for punitive damages or for damages arising from intentional misconduct, which are often alleged in third party lawsuits, might not be covered by our insurance.

If we are found liable for any significant claims that are not covered by insurance, our liquidity and operating results could be materially adversely affected. It is possible that our insurance carrier may disclaim coverage for the class action and derivative lawsuits against us.

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It is also possible that some or all of the insurance that is currently available to us will not be available in the future on economically reasonable terms, or not available at all.

**We may be unable to establish and/or maintain an effective system of internal control over financial reporting and comply with Section 404 of the Sarbanes-Oxley Act of 2002 and other related provisions of the U.S. securities laws.**

In connection with this initial public offering, we will be required to file certain reports, including annual and quarterly periodic reports, under the Securities Exchange Act of 1934. The Commission, as required by Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company to include a management report on such company s internal control over financial reporting in its annual report, which contains management s assessment of the effectiveness of the company s internal control over financial reporting. In addition, an independent registered public accounting firm must attest to and report on management s assessment of the effectiveness of our internal control over financial reporting. Under the Commission s rules as currently in effect, Section 404 of the Sarbanes-Oxley Act will apply to our second annual report on Form 10-K. In addition, beginning with our first periodic report filed after we file our second annual report on Form 10-K, we will be required to report in each periodic report that we file with the Commission as to any changes in our internal control over financial reporting since the preceding fiscal quarter and the effectiveness and adequacy of our disclosure controls and procedures. Our reporting obligations under the U.S. securities laws will place additional burdens on our management, operational and financial resources and systems. To the extent that we are unable to establish and/or maintain effective internal control over financial reporting and/or disclosure controls and procedures, we may be unable to produce reliable financial reports and/or public disclosure, detect and prevent fraud and comply with our reporting obligations under the U.S. securities laws on a timely basis. Any such failure could harm our business and negatively affect the market value of your investment in our common stock. In addition, failure to achieve and maintain effective internal control over financial reporting and/or disclosure controls and procedures could result in the loss of investor confidence in the reliability of our financial statements and public disclosure and a loss of customers, which in turn could harm our business and negatively affect the market value of your investment in our common stock.

**Environmental, health and safety laws, regulations and requirements and the costs of complying with them, or any liability or obligation imposed under them, could adversely affect our financial position, results of operations or cash flow.**

Our operations are subject to a variety of federal, state, local and foreign environmental, health and safety laws and regulations. These laws regulate releases of petroleum products and other hazardous substances into the environment as well as storage, treatment, transport and disposal of wastes, and the remediation of soil and groundwater contamination. In addition, certain of our customers require us to maintain certain safety levels. Failure to maintain such levels could lead to a loss of such customers.

These laws also regulate our ownership and operation of tanks used for the storage of petroleum products and other regulated substances.

We have made, and will continue to make, expenditures to comply with environmental laws and regulations, including, among others, expenditures for the investigation and cleanup of contamination at or emanating from, currently and formerly owned and leased properties, as well as contamination at other locations at which our wastes have reportedly been identified. Some of these laws impose strict and in certain circumstances joint and several liability on current and former owners or operators of contaminated sites for costs of investigation and remediation.

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Compliance with existing or future environmental, health and safety requirements may require material expenditures by us or otherwise have a material adverse effect on our consolidated financial position, results of operations or cash flow.

**We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business.**

Our ability to compete effectively depends in part upon our rights in trademarks, copyrights and other intellectual property rights we own or license. Our use of contractual provisions, confidentiality procedures and agreements, and trademark, copyright, unfair competition, trade secret and other laws to protect our intellectual property and other proprietary rights may not be adequate. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our services or our use of intellectual property infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim of trademark, copyright or other intellectual property infringement against us could prevent us from providing services, which could have a material adverse effect on our business, financial condition or results of operations.

**We face risks related to changes in our ownership.**

Certain of our agreements with third parties, including our real property leases, require the consent of such parties in connection with any change in ownership of us. We will generally seek such consents and waivers, although we may not seek certain consents if our not obtaining them will not, in our view, have a material adverse effect on our consolidated financial position or results of operations. If we fail to obtain any required consent or waiver, the applicable third parties could seek to terminate their agreement with us and, as a result, our ability to conduct our business could be impaired until we are able to enter into replacement agreements, resulting in a material adverse effect on our results of operations or financial condition.

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## Risks Related to Our Substantial Indebtedness

**We have substantial debt and may incur substantial additional debt, which could adversely affect our financial condition, our ability to obtain financing in the future and our ability to react to changes in our business.**

We have a significant amount of debt. As of September 30, 2006, on a pro forma basis after giving effect to (i) the Recapitalization and the use of the net proceeds therefrom and (ii) the Recapitalization and the use of the net proceeds therefrom and this offering and the use of the net proceeds therefrom as described in Use of Proceeds , we would have had, respectively approximately $2,996.6 million and approximately $ million of debt outstanding.

Our substantial debt could have important consequences to you. For example, it could:

make it more difficult for us to satisfy our obligations to the holders of our Notes and to the lenders under our Senior Credit Facilities, resulting in possible defaults on and acceleration of such indebtedness;

require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, which would reduce the availability of our cash flow from operations to fund working capital, capital expenditures or other general corporate purposes;

increase our vulnerability to general adverse economic and industry conditions, including interest rate fluctuations, because a portion of our borrowings, including under the Senior Credit Facilities, is at variable rates of interest;

place us at a competitive disadvantage to our competitors with proportionately less debt or comparable debt at more favorable interest rates;

limit our ability to refinance our existing indebtedness or borrow additional funds in the future;

limit our flexibility in planning for, or reacting to, changing conditions in our business and industry; and

limit our ability to react to competitive pressures, or make it difficult for us to carry out capital spending that is necessary or important to our growth strategy and our efforts to improve operating margins.

Any of the foregoing impacts of our substantial indebtedness could have a material adverse effect on our business, financial condition and results of operations.

**Despite our current indebtedness levels, we and our subsidiaries may be able to incur substantial additional debt, which could further exacerbate the risks associated with our substantial indebtedness.**

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the instruments governing our indebtedness do not prohibit us or fully prohibit us or our subsidiaries from doing so. As of September 30, 2006, on a pro forma basis after giving effect to (i) the Recapitalization and the use of the net proceeds therefrom and (ii) the Recapitalization and the use of the net proceeds therefrom and this offering and the use of the net proceeds therefrom, our Senior Credit Facilities provided us commitments for additional aggregate borrowings subject to, among other things, our maintenance of a sufficient borrowing base under such facilities and potential reduction as a result of our obligation to make a payment to ACF in respect of a post-closing adjustment to the Recapitalization Purchase Price, as described in Recent Transactions The Recapitalization The

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Recapitalization Agreement , of approximately $576 million and approximately $ million, respectively, and both the Senior ABL Facilities and the Senior Term Facility permit additional borrowings beyond the committed financing thereunder under certain circumstances. If new debt is added to our current debt levels, the related risks that we now face would increase. In addition, the instruments governing our indebtedness do not prevent us or our subsidiaries from incurring obligations that do not constitute indebtedness.

**We may not be able to generate sufficient cash to service all of our debt, and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful.**

Our ability to make scheduled payments on, or to refinance our obligations under, our debt will depend on the financial and operating performance of us and our subsidiaries, which, in turn, will be subject to prevailing economic and competitive conditions and to the financial and business factors, many of which may be beyond our control, described under Risks Related to Our Business above.

We may not maintain a level of cash flow from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for payments of interest on and principal of our debt, and such alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. We may not be able to refinance any of our indebtedness or obtain additional financing, particularly because of our anticipated high levels of debt and the debt incurrence restrictions imposed by the agreements governing our debt, as well as prevailing market conditions. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The instruments governing our indebtedness restrict our ability to dispose of assets and use the proceeds from any such dispositions. We may not be able to consummate those sales, or if we do, what the timing of the sales will be or whether the proceeds that we realize will be adequate to meet debt service obligations when due.

**A significant portion of our outstanding indebtedness is secured by substantially all of our consolidated assets. As a result of these security interests, such assets would only be available to satisfy claims of our general creditors or to holders of our equity securities if we were to become insolvent to the extent the value of such assets exceeded the amount of our indebtedness and other obligations. In addition, the existence of these security interests may adversely affect our financial flexibility.**

Indebtedness under our Senior Credit Facilities is secured by a lien on substantially all our assets. Accordingly, if an event of default were to occur under our Senior Credit Facilities, the senior secured lenders under such facilities would have a prior right to our assets, to the exclusion of our general creditors. In that event, our assets would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under our Senior Credit Facilities), resulting in all or a portion of our assets being unavailable to satisfy the claims of our unsecured indebtedness, including our Notes. Only after satisfying the claims of our unsecured creditors and our subsidiaries unsecured creditors would any amount be available for our equity holders.

As of September 30, 2006, substantially all of our consolidated assets, including our equipment rental fleets, have been pledged for the benefit of the lenders under our Senior Credit Facilities. As a result, the lenders under these facilities would have a prior claim on such assets in the event of our bankruptcy, insolvency, liquidation or reorganization, and we may not have sufficient funds to pay all of our creditors. In that event, holders of our equity securities would not be entitled to receive any of our assets or the proceeds therefrom. See Description of Certain Indebtedness Senior Credit Facilities Senior Term Facility Guarantees; Security and Senior ABL Facilities Guarantees; Security. As discussed below, the pledge of these assets and other restrictions may limit our flexibility in raising capital for other purposes. Because substantially all of our assets are pledged under these financing arrangements, our ability to incur additional secured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have an adverse effect on our financial flexibility.

**Restrictive covenants in certain of the agreements and instruments governing our indebtedness may adversely affect our financial flexibility.**

Our Senior Credit Facilities contain covenants that, among other things, restrict RSC s and RSC Holdings III, LLC s ability to:

- incur additional indebtedness or provide guarantees;
- engage in mergers, acquisitions or dispositions;
- enter into sale-leaseback transactions;
- make dividends and other restricted payments;
- prepay other indebtedness;
- engage in certain transactions with affiliates;
- make other investments;
- change the nature of our business;
- incur liens;
- take actions other than those enumerated; and
- amend specified debt agreements.

In addition, under the Senior ABL Facilities, we will be required to comply with certain financial covenants. If we fail to maintain a specified minimum level of borrowing capacity, we will then be subject to financial covenants, including covenants that will obligate us to maintain a specified leverage ratio and a specified fixed charges coverage ratio. Our ability to comply with these covenants in future periods will depend on our ongoing financial and operating performance, which in turn will be subject to economic conditions and to financial, market and competitive factors, many of which are beyond our control. Our ability to comply with these covenants in future periods will also depend substantially on the pricing of our products and services, our success at implementing cost reduction initiatives and our ability to successfully implement our overall business strategy.

The indenture governing the Notes also contains restrictive covenants that, among other things, limit RSC Holdings III, LLC s ability and the ability of its restricted subsidiaries to:

- incur additional debt;

pay dividends or distributions on their capital stock or repurchase their capital stock;

make certain investments;

create liens on their assets to secure debt;

enter into certain transactions with affiliates;

create limitations on the ability of the restricted subsidiaries to make dividends or distributions to their respective parents;

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merge or consolidate with another company; and

transfer and sell assets.

Our ability to comply with the covenants and restrictions contained in the Senior Credit Facilities and the indenture governing the Notes may be affected by economic, financial and industry conditions beyond our control. The breach of any of these covenants or restrictions could result in a default under either the Senior Credit Facilities or the indenture that would permit the applicable lenders or noteholders, as the case may be, to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest. In any such case, we may be unable to make borrowings under the Senior Credit Facilities and may not be able to repay the amounts due under the Senior Credit Facilities and the Notes. This could have a material adverse effect on our financial condition and results of operations and could cause us to become bankrupt or insolvent.

**The instruments governing our debt contain cross default or cross acceleration provisions that may cause all of the debt issued under such instruments to become immediately due and payable as a result of a default under an unrelated debt instrument.**

Our failure to comply with the obligations contained in the indenture governing our Notes and the agreements governing our Senior Credit Facilities or other instruments governing our indebtedness could result in an event of default under the applicable instrument, which could result in the related debt and the debt issued under other instruments becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which funds may not be available to us on favorable terms, on a timely basis or at all. Alternatively, such a default could require us to sell our assets and otherwise curtail our operations in order to pay our creditors. Such alternative measures could have a material adverse effect on our business, financial condition and results of operations.

## Risks Related to Our Common Stock and This Offering

**RSC Holdings is a holding company with no operations of its own that depends on its subsidiaries for cash.**

The operations of RSC Holdings are conducted almost entirely through its subsidiaries and its ability to generate cash to meet its debt service obligations or to pay dividends is highly dependent on the earnings and the receipt of funds from its subsidiaries via dividends or intercompany loans. However, none of the subsidiaries of RSC Holdings is obligated to make funds available to RSC Holdings for the payment of dividends. In addition, payments of dividends and interest among the companies in our group may be subject to withholding taxes. Further, the indenture governing the Notes and the Senior Credit Facilities significantly restrict the ability of the subsidiaries of RSC Holdings to pay dividends or otherwise transfer assets to RSC Holdings. See Risk Factors Risks Related to Our Substantial Indebtedness Restrictive covenants in certain of the agreements and instruments governing our indebtedness may adversely affect our financial flexibility. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock.

**There currently exists no market for our common stock. An active trading market may not develop for our common stock. If our stock price fluctuates after this offering, you could lose all or a significant part of your investment.**

Prior to this offering, there was no public market for shares of our common stock. An active market may not develop following the completion of this offering or, if developed, may not be maintained. We negotiated the initial public offering price with the underwriters. The initial public offering price may not be indicative of the price at which our common stock will trade following completion of this offering. The market price of our common stock may also be influenced by many factors, some of which are beyond our control, including:

- securities analysts elect not to cover our common stock after this offering, changes in financial estimates by analysts or a downgrade of our stock or our sector by analysts;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- variations in quarterly operating results;
- loss of a large customer or supplier;
- general economic conditions;
- war, terrorist acts and epidemic disease;
- future sales of our common stock; and
- investor perceptions of us and the equipment rental industry.

As a result of these factors, investors in our common stock may not be able to resell their shares at or above the initial offering price. In addition, the stock market in general has experienced extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies like us. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance.

**A few significant stockholders control the direction of our business. If the ownership of our common stock continues to be highly concentrated, it will prevent you and other stockholders from influencing significant corporate decisions.**

Following the completion of this offering, Ripplewood and Oak Hill will each beneficially own approximately % of the outstanding shares of our common stock assuming that the underwriters do not exercise their option to purchase additional shares. Ripplewood, Oak Hill, ACF and RSC Holdings are parties to a stockholders agreement, or the Stockholders Agreement, pursuant to which the Sponsors currently have the ability to cause the election of a majority of our Board of Directors. Under the terms of the Amended and Restated Stockholders Agreement to be entered into in connection with this offering, the Sponsors will continue to have the right to nominate a majority of the members of our Board of Directors and to exercise control over matters requiring stockholder approval and our policy and affairs, for example, by being able to direct the use of proceeds received from this and future security offerings. See Certain Relationships and Related Party Transactions Stockholders Agreement. In addition, following the consummation of this offering, we will be a controlled company within the meaning of the New York Stock Exchange rules and, as a result, currently intend to rely on exemptions from certain corporate governance requirements.

The concentrated holdings of the Sponsors, certain provisions of the Amended and Restated Stockholders Agreement and the presence of the Sponsors nominees on our Board of Directors may result in a delay or the deterrence of possible changes in control of our company, which may reduce the market price of our common stock. The interests of our existing stockholders may conflict with the interests of our other stockholders. Our Board of Directors intends to adopt corporate governance guidelines that will, among other things, address potential conflicts between a director s interests and our interests. In addition, we intend to adopt a code of business conduct that, among other things, requires our employees to avoid actions or relationships that might conflict or appear to conflict with their job responsibilities or the interests of RSC Holdings, and to disclose their outside activities, financial interests or relationships that may present a possible conflict of interest or the appearance of a conflict to management or corporate counsel. These corporate governance guidelines and code of business ethics will not, by themselves, prohibit transactions with our principal stockholders.

**Our share price may decline due to the large number of shares eligible for future sale.**

Sales of substantial amounts of our common stock, or the possibility of such sales, may adversely affect the price of our common stock and impede our ability to raise capital through the issuance of equity securities.

Upon consummation of this offering, there will be shares of common stock outstanding. Of these shares, the shares of common stock sold in the offering will be freely transferable without restriction or further registration under the Securities Act, unless purchased by our affiliates as that term is defined in Rule 144 under the Securities Act. The remaining shares of common stock outstanding will be restricted securities within the meaning of Rule 144 under the Securities Act, but will be eligible for resale subject to applicable volume, manner of sale, holding period and other limitations of Rule 144 or pursuant to an exemption from registration under Rule 701 under the Securities Act. Upon completion of this offering, we intend to file one or more registration statements under the Securities Act to register the shares of common stock to be issued under our stock incentive plan and, as a result, all shares of common stock acquired upon exercise of stock options and other equity-based awards granted under this plan will also be freely tradable under the Securities Act unless purchased by our affiliates. A total of 154,693.70 shares of common stock are reserved for issuance under our stock incentive plan.

We, the Sponsors, our executive officers and directors have agreed to a lock-up, meaning that, subject to certain exceptions, neither we nor they will sell any shares without the prior consent of the representatives of the underwriters for days after the date of this prospectus. Following the expiration of this -day lock-up period, of these shares of our common stock will be eligible for future sale, subject to the applicable volume, manner of sale, holding period and other limitations of Rule 144. See Shares Eligible for Future Sale for a discussion of the shares of common stock that may be sold into the public market in the future. In addition, our existing stockholders have the right under certain circumstances to require that we register their shares for resale. As of September 30, 2006, these registration rights apply to the shares of our outstanding common stock owned by the Sponsors.

In addition, sales of our common stock that result in certain persons associated with the Sponsors holdings less than 40% in the aggregate of our common stock in the aggregate will result in requiring us to pay current interest on any contingent earn-out notes that we may have issued. See Recent Transactions The Recapitalization Contingent Earn-Out Notes.

**Purchasers of our common stock will experience immediate and substantial dilution resulting in their shares being worth less on a net tangible book value basis than the amount they invested.**

The initial public offering price is expected to be significantly higher than the net tangible book value per share of our common stock. Purchasers of the common stock in this offering will experience an immediate dilution in net tangible book value of $ per share of common stock purchased. In the past, we issued options to acquire shares of common stock at prices that may be significantly below the initial public offering price. To the extent that these outstanding options are exercised, there may be further dilution to investors. Accordingly, in the event we are liquidated, investors may not receive the full amount of their investment. See Dilution.

**Our certificate of incorporation, by-laws and Delaware law may discourage takeovers and business combinations that our stockholders might consider in their best interests.**

A number of provisions we intend to include, effective as of the offering, in our certificate of incorporation and by-laws may have the effect of delaying, deterring, preventing or rendering more difficult a change in control of RSC Holdings that our stockholders might consider in their best interests. These provisions include:

- establishment of a classified Board of Directors, with staggered terms;
- granting to the Board of Directors sole power to set the number of directors and to fill any vacancy on the Board of Directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- limitations on the ability of stockholders to remove directors;
- the ability of the Board of Directors to designate and issue one or more series of preferred stock without stockholder approval, the terms of which may be determined at the sole discretion of the Board of Directors;
- prohibition on stockholders from calling special meetings of stockholders;
- establishment of advance notice requirements for stockholder proposals and nominations for election to the Board of Directors at stockholder meetings; and

prohibiting our stockholders from acting by written consent if the Sponsors cease to collectively hold a majority of our outstanding common stock.

These provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging takeover attempts in the future. In addition, we expect to opt out of Section 203 of the Delaware General Corporation Law, which would have otherwise imposed additional requirements regarding mergers and other business combinations.

Our certificate of incorporation and by-laws may also make it difficult for stockholders to replace or remove our management. These provisions may facilitate management entrenchment that may delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our stockholders.

See Description of Capital Stock for additional information on the anti-takeover measures applicable to us.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this prospectus, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as may , plan , seek , will , expect , int estimate , anticipate , believe or continue or the negative thereof or variations thereon or similar terminology.

Forward-looking statements include the statements in this prospectus regarding, among other things: management forecasts; efficiencies; cost savings and opportunities to increase productivity and profitability; income and margins; liquidity; anticipated growth; economies of scale; the economy; future economic performance; our ability to maintain profitability during adverse economic cycles and unfavorable external events; future acquisitions and dispositions; litigation; potential and contingent liabilities; management s plans; taxes; and refinancing of existing debt.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations are set forth below and disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the following cautionary statements:

The effect of an economic downturn or other factors resulting in a decline in non-residential construction and capital investment;

Increased competition from other companies in our industry and our inability to increase or maintain our prices;

Our ability to obtain equipment at competitive prices;

Changes in the attitude of our customers toward renting, as compared with purchasing, equipment;

Our ability to generate cash and/or incur additional indebtedness to finance equipment purchases;

Heavy reliance on centralized information systems;

Exposure to claims for personal injury, death and property damage resulting from the use of equipment rented or sold by us;

The ability and willingness of ACAB and ACF to continue to meet and/or perform their obligations under the Recapitalization Agreement to indemnify for and defend us against various matters, including, but not limited to, litigation relating to alleged exposure to silica and asbestos;

The effect of changes in laws and regulations, including those relating to the environment and customer privacy, among others;

Risks related to our substantial amount of indebtedness;

- Fluctuations in fuel or supply costs;
- Claims that the software products and information systems on which we rely infringe on the intellectual property rights of others; and
- The other factors described under the caption Risk Factors.

In light of these risks, uncertainties and assumptions, the forward-looking statements contained in this prospectus might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements speak only as of the date made, and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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## MARKET AND INDUSTRY DATA

Information in this prospectus about the equipment rental industry, including our general expectations concerning the industry and our market position and market share, is based on estimates prepared using data from various sources and on assumptions made by us. We believe data regarding the equipment rental industry and our market position and market share within this industry is inherently imprecise, but generally indicate our size and position and market share within this industry. In particular, we made certain determinations of market size and market share within our industry based on information from American Rental Association, Daniel Kaplan Associates, Global Insight, Manfredi & Associates and Rental Equipment Register, and our determinations of certain economic conditions in the markets we service are based on information from Maximus Advisors. Unless indicated otherwise, statements regarding our size, our market share and the size of our markets are based on rental revenues. Although we believe that the information provided by third parties is generally accurate, we have not independently verified any of that information. Third party industry publications and forecasts generally state that the information contained therein has been obtained from sources generally believed to be reliable. While we are not aware of any misstatements regarding any industry data presented in this prospectus, our estimates, in particular as they relate to our general expectations concerning the equipment rental industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under the caption Risk Factors.

# RECENT TRANSACTIONS

## The Recapitalization

Pursuant to a recapitalization agreement, dated as of October 6, 2006 (the Recapitalization Agreement ), by and among ACAB, ACF, the Sponsors and RSC Holdings, on the Recapitalization Closing Date, the Sponsors acquired and currently own approximately 85% of RSC Holdings common stock. We refer to this transaction as the Recapitalization. In connection with the Recapitalization, certain of our subsidiaries issued and sold the Notes as well as entered into new senior asset-based loan facilities, or the Senior ABL Facilities , comprised of a $250 million term facility and a $1,450 million revolving facility, and a new $1,130 million senior second-lien term loan facility, or the Senior Term Facility, and together with the Senior ABL Facilities, the Senior Credit Facilities. For a more detailed description of these facilities and our outstanding indebtedness thereunder, see Description of Certain Indebtedness.

*Recapitalization Agreement*

The Recapitalization Agreement contains customary representations, warranties and covenants. The Recapitalization Agreement also provides that ACAB and ACF will indemnify RSC Holdings and its affiliates, including Ripplewood and Oak Hill, and their respective officers, directors, stockholders, employees, agents and representatives with respect to breaches of representations, warranties, covenants and certain other matters, in each case, subject to certain time limitations and dollar amounts, and that RSC Holdings will indemnify ACAB, ACF and their respective affiliates and their respective officers, directors, stockholders, employees, agents and representatives with respect to breaches of representations, warranties, covenants and certain other matters, in each case, subject to certain time limitations and dollar amounts. See Business Legal Proceedings.

On the Recapitalization Closing Date, since RSC Holdings closing capital, as determined pursuant to a modified net worth formula in the Recapitalization Agreement, was estimated to be more than the agreed-upon benchmark, the Recapitalization Purchase Price was increased by the amount of such excess over the benchmark, which was $34.4 million. This $34.4 million purchase price adjustment was paid on the Recapitalization Closing Date. The Recapitalization Agreement also provides for a post-closing adjustment to the Recapitalization Purchase Price. On January 28, 2007, RSC Holdings delivered to ACAB its calculation of the final adjustments to the Recapitalization Purchase Price, which calculation shows that ACAB s estimate of the net amount of adjustments to the Recapitalization Purchase Price was approximately $14.7 million lower than the actual net amount of such adjustments, and that a payment in that amount is due from RSC Holdings to ACF. ACAB has until March 29, 2007 to review RSC Holdings calculation of the final adjustments to the Recapitalization Purchase Price. If ACAB disputes any of RSC Holdings calculations and ACAB and RSC Holdings cannot resolve such dispute, the matter will be referred to (i) a mutually agreed-upon person or (ii) a panel of three qualified accounting experts to be selected by the American Arbitration Association. If the actual net amount of adjustments to the Recapitalization Purchase Price is ultimately determined to be different from the actual net amount set forth on RSC Holdings calculation of such adjustments, the payment due from RSC Holdings to ACF will be reduced or increased, as applicable, by that amount. RSC Holdings may cause certain of its subsidiaries, including RSC Holdings III, LLC, to obtain the funds necessary to make the required purchase price adjustment payment, as finally determined, by drawing on the available borrowings under the Senior ABL Facilities and distributing the proceeds to RSC Holdings.

*Contingent Earn-Out Notes*

RSC Holdings may be required to issue contingent earn-out notes pursuant to the Recapitalization Agreement if RSC achieves cumulative adjusted EBITDA (as defined in the

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Recapitalization Agreement) targets described below. If RSC s cumulative adjusted EBITDA for the fiscal years ended December 31, 2006 and December 31, 2007 (the 2006-2007 EBITDA ) is at least $1.54 billion, then on April 1, 2008, RSC Holdings will issue to ACF a contingent earn-out note, in a principal amount equal to:

(i) $150 million if the 2006-2007 EBITDA is $1.662 billion or greater;

(ii) If the 2006-2007 EBITDA is between $1.54 billion and $1.662 billion, an amount equal to (x) $150 million multiplied by (y) a fraction (A) the numerator of which is an amount equal to the 2006-2007 EBITDA minus $1.54 billion and (B) the denominator of which is $122 million; and

(iii) An additional amount, computed like interest (compounded semiannually) at the lesser of 11.5% per annum and the applicable federal rate plus 4.99% per annum from April 1, 2008 until the contingent earn-out note is issued, on the amount described in clause (i) or clause (ii) above, as applicable.

If RSC s cumulative adjusted EBITDA for the fiscal year ended December 31, 2008 (the 2008 EBITDA ) is at least $880 million, then on April 1, 2009, RSC Holdings will issue to ACF a second contingent earn-out note, in a principal amount equal to:

(i) $250 million if the 2008 EBITDA is $1.015 billion or greater;

(ii) If the 2008 EBITDA is between $880 million and $1.015 billion, an amount equal to (x) $250 million multiplied by (y) a fraction (A) the numerator of which is an amount equal to the 2008 EBITDA minus $880 million and (B) the denominator of which is $135 million; and

(iii) An additional amount, computed like interest (compounded semiannually) at the lesser of 11.5% per annum and the applicable federal rate plus 4.99% per annum from April 1, 2009 until the contingent earn-out note is issued, on the amount described in clause (i) or clause (ii) above, as applicable.

Each contingent earn-out note will mature on the earlier of the date that is 11 years from issuance and the date that is six months after the final maturity date of the longest dated debt of RSC Holdings or any of its subsidiaries with a principal amount in excess of $100 million outstanding on the date of issuance of such contingent earn-out note. Interest will be added to principal semi-annually and will be payable at maturity. The interest rate will be compounded semiannually and equal to the lesser of 11.5% per annum and the applicable federal rate plus 4.99% per annum.

If, after an underwritten initial public offering of RSC Holdings s common equity, certain persons associated with the Sponsors cease to control 40% in the aggregate of the number of shares of common equity owned by the Sponsors and their affiliates immediately after the closing of the Recapitalization (a Loss of Control ), RSC Holdings must make semi-annual payments of current period interest on the contingent earn-out notes (x) first, on the longest-dated contingent earn-out notes then outstanding (pro rata among all such notes) if and to the extent 50% of available cash (as defined in the Recapitalization Agreement) on the date of such payments is sufficient to make such payments, and (y) second, on the other contingent earn-out notes then outstanding (pro rata among all such notes) if and to the extent the payments made pursuant to the foregoing clause (x) are less than 50% of available cash on such dates. Any amount of such current period interest that is not so paid on any such date shall be added to the principal. In addition, RSC Holdings will cause its subsidiaries to refrain from taking certain actions that will impair RSC Holdings s ability to pay current interest on the contingent earn-out notes. Furthermore, following a Loss of Control, additional interest under the notes shall accrue at the semiannual interest rate that, with semiannual compounding, produces an

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incremental annual yield to maturity of 1.50%. The offering and sale of our common stock pursuant to this prospectus will not result in a Loss of Control.

Generally, if RSC Holdings receives after the Recapitalization Closing Date proceeds of certain dividends, redemptions or other distributions ( Qualifying Proceeds ) in excess of $150,000,000, we are required to use 50% of such excess Qualifying Proceeds, less the aggregate amount of all optional prepayments made under all of our contingent earn-out notes (the Aggregate Optional Prepayment ), to prepay any outstanding contingent earn-out notes. However, if, after the Recapitalization Closing Date but prior to the date on which a contingent earn-out note is first issued (the Issue Date ), we have received Qualifying Proceeds ( Pre-Issue Proceeds ) in excess of $150,000,000, we are required to use 100% of any Qualifying Proceeds received after the Issue Date ( Post-Issue Proceeds ) to prepay any outstanding notes until we have prepaid an amount equal to (x) the amount by which the Pre-Issue Proceeds exceed $150,000,000 minus (y) the Aggregate Optional Prepayment. Thereafter, we are required to use 50% of all Post-Issue Proceeds, less the Aggregate Optional Prepayments, to prepay the notes.

**Recent Sale of Unregistered Securities**

On or around November 17, 2006, RSC Holdings offered certain of its officers, or trusts of which its officers were beneficiaries, the opportunity to purchase up to 26,366.30 shares of RSC Holdings common stock for an aggregate offering price of up to approximately $6,440,000. The officers and trusts purchased all 26,366.30 shares that were offered for a total purchase price of approximately $6,440,000. The purchases of the shares closed as of December 4, 2006 and December 19, 2006. We refer to these purchases as the Management Offerings . All of the participating officers and trusts have granted the Sponsors an irrevocable proxy to vote or act by unanimous written consent with respect to their purchased shares. Accordingly, the Sponsors have the sole authority to vote the shares held by the officers and trusts.

As of the closings of their respective purchases, the officers were granted options to purchase up to, in the aggregate, 117,428.09 additional shares of RSC Holdings common stock in the future. The options are subject to vesting as follows: one third of the options will vest over a five-year time period, subject to the officer s continued employment with RSC Holdings or its subsidiaries, and two thirds of the options will vest, or fail to vest, based on RSC Holdings financial performance. All options have an exercise price of $244.25.

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## USE OF PROCEEDS

We estimate that our net proceeds from the sale of shares of our common stock being offered by us pursuant to this prospectus at an assumed initial public offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and estimated offering expenses, will be approximately $ million (or $ million if the overallotment option is exercised in full). A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

We intend to use the net proceeds to us from the sale of common stock to repay $ of our existing indebtedness with the remainder to be used for general corporate purposes.

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## DIVIDEND POLICY

We do not expect to pay dividends on our common stock for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. Our ability to pay dividends to holders of our common stock is limited as a practical matter by the Senior Credit Facilities and the indenture governing the Notes, insofar as we may seek to pay dividends out of funds made available to us, because our subsidiaries debt facilities directly or indirectly restrict our subsidiaries ability to pay dividends or make loans to us. In addition, if our contingent earn-out notes are issued, our ability to pay dividends will be restricted by our obligation to make certain mandatory prepayments to the holders of such notes. See Recent Transactions Recapitalization Agreement Contingent Earn-Out Notes . Any future determination to pay dividends on our common stock is subject to the discretion of our Board and will depend upon various factors, including our results of operations, financial condition, liquidity requirements, restrictions that may be imposed by applicable law and our contracts, and other factors deemed relevant by our Board.

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## CAPITALIZATION

The following table sets forth as of September 30, 2006, on a consolidated basis:

Our actual capitalization;