



# Neff Corp. Financial Information Q3 2007

US GAAP preliminary unaudited financial information

Dollar amounts presented in millions were derived from exact numbers which may result in minor rounding differences





# Neff Corp – 3<sup>rd</sup> Quarter Update

## ► 3<sup>rd</sup> Quarter Highlights

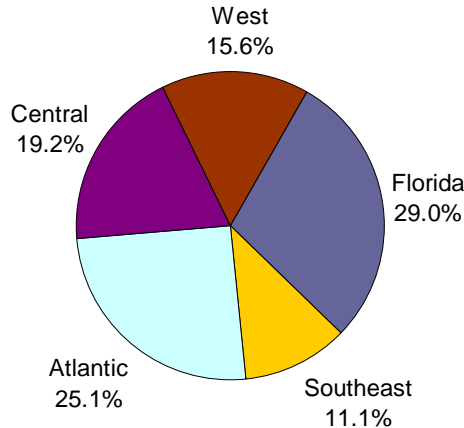
- Total revenue of \$81.4 million
- Total rental revenue of \$70.1 million
- Adjusted EBITDA of \$35.0 million and Pro Forma EBITDA of \$36.1 million
- Pro Forma EBITDA margin for the quarter remained strong at 44.4%
- Dollar utilization remained strong at 50.9%



# Neff Corp – 3<sup>rd</sup> Quarter Update

- ▶ **Economic conditions in several of our markets have become unexpectedly more challenging**
- ▶ **Neff is taking a conservative asset management approach focused on maximizing free cash flow and reducing debt**
  - Reduce our fleet size
  - Aggressively redeploy fleet
  - Focus on expense control
  - Protect our core customer base
  - Seek new customer segments
- ▶ **We paid down \$8 million of debt during the 3<sup>rd</sup> quarter and anticipate paying down an additional \$10-\$15 million of debt by the year end**

**LTM 9/30/07 Rental Revenue by Region**



# Neff Corp – 3<sup>rd</sup> Quarter Update



## Revenue Overview

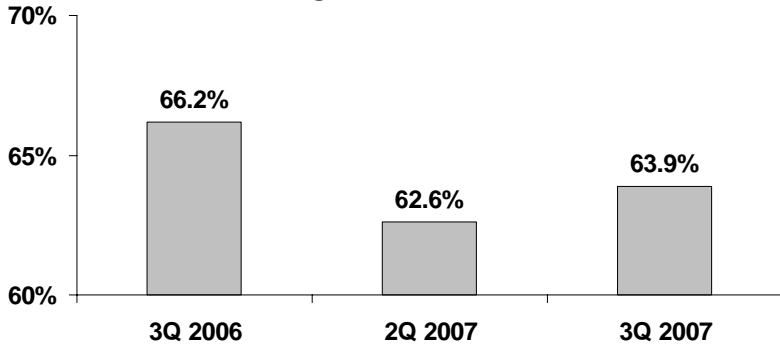
in \$ Millions (unaudited)	Three Months Ended			Nine Months Ended		
	Sep 2007	Sep 2006	Change %	Sep 2007	Sep 2006	Change %
Rental revenues	\$ 70.1	\$ 75.1	(6.6%)	\$ 201.5	\$ 207.6	(2.9%)
Equipment sales	7.4	6.0	24.7%	29.7	27.3	8.9%
Parts and service	3.9	4.3	(9.4%)	11.0	11.9	(7.6%)
<b>Total revenues</b>	<b>81.4</b>	<b>85.3</b>	<b>(4.6%)</b>	<b>242.2</b>	<b>246.8</b>	<b>(1.9%)</b>



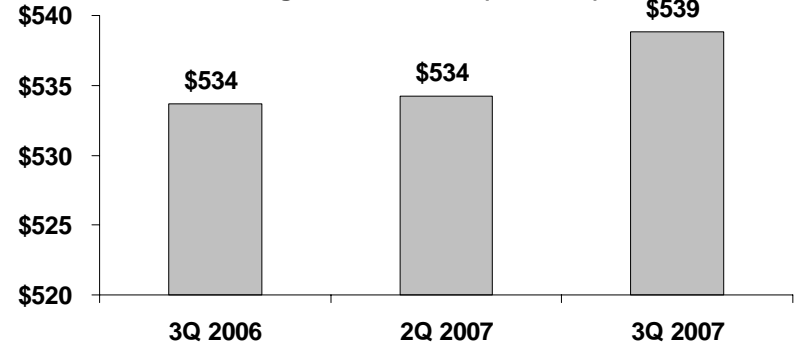
# Neff Corp – 3<sup>rd</sup> Quarter Update

## Quarterly Operating Statistics

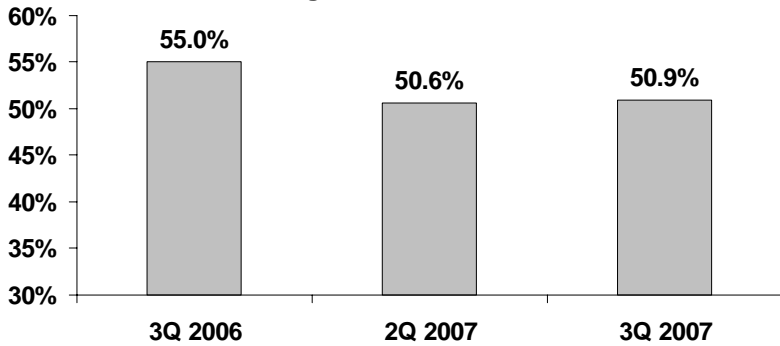
Average Time Utilization



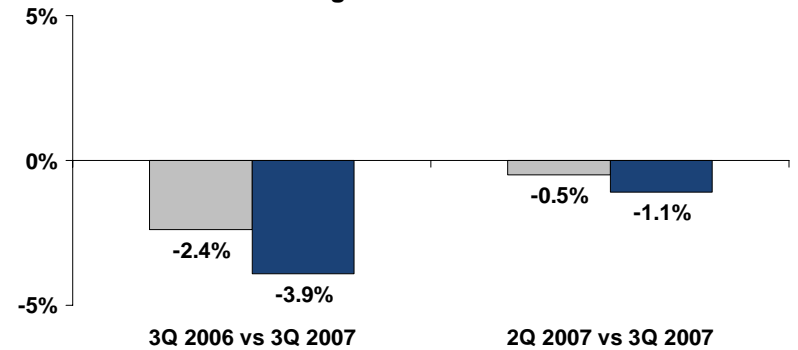
Average Fleet at OEC (\$ in mm)



Average Dollar Utilization



Change in Rental Rate



Actual Billed Rates (Mix Adjusted) Average Daily Rate

# Neff Corp – 3<sup>rd</sup> Quarter Update



## Income Statement

in \$ Millions (unaudited)	Three Months Ended			Nine Months Ended		
	Sep 2007	Sep 2006	Change %	Sep 2007	Sep 2006	Change %
<b>Total revenues</b>	<b>81.4</b>	<b>85.3</b>	<b>(5%)</b>	<b>242.2</b>	<b>246.8</b>	<b>(2%)</b>
Cost of equipment sold	6.5	4.1	58%	22.3	19.4	15%
Depreciation - rental equipment	19.8	15.3	30%	51.0	44.2	16%
Maintenance of rental equipment	19.0	19.0	0%	55.3	54.9	1%
Cost of parts and service	2.4	2.7	(11%)	6.8	7.4	(7%)
<b>Total cost of revenues</b>	<b>47.7</b>	<b>41.0</b>	<b>16%</b>	<b>135.5</b>	<b>125.8</b>	<b>8%</b>
<b>Gross profit</b>	<b>33.7</b>	<b>44.3</b>	<b>(24%)</b>	<b>106.7</b>	<b>121.0</b>	<b>(12%)</b>
Selling, general, and administrative	19.5	20.3	(4%)	61.9	56.3	10%
Transaction-related operating costs	0.0	0.0	nm	7.3	0.0	nm
Other depreciation and amortization	13.3	1.5	775%	18.5	4.4	319%
<b>Total operating expenses</b>	<b>32.9</b>	<b>21.8</b>	<b>50%</b>	<b>87.7</b>	<b>60.7</b>	<b>44%</b>
<b>Operating income</b>	<b>0.9</b>	<b>22.5</b>	<b>(96%)</b>	<b>19.1</b>	<b>60.3</b>	<b>(68%)</b>
Interest expense, net	16.0	13.4	19%	42.7	37.9	13%
Transaction-related financing costs	0.0	0.0	nm	57.7	0.0	nm
Amortization of debt issue costs	0.5	0.5	(5%)	2.9	1.5	96%
Benefit from income taxes	(6.3)	0.0	nm	(30.8)	0.0	nm
<b>Net Income</b>	<b>\$ (9.4)</b>	<b>\$ 8.5</b>	<b>(211%)</b>	<b>\$ (53.5)</b>	<b>\$ 20.9</b>	<b>(357%)</b>



# Neff Corp – 3<sup>rd</sup> Quarter Update

## EBITDA

in \$ Millions (unaudited)	For the Three Months Ended		For the Nine Months Ended	
	Sep 2007	Sep 2006	Sep 2007	Sep 2006
Net (loss) income	\$ (9.4)	\$ 8.5	\$ (53.5)	\$ 20.9
Benefit from income taxes	(6.3)	-	(30.8)	-
Interest expense	16.0	13.4	42.7	37.9
Depreciation of rental equipment	19.8	15.3	51.0	44.2
Other depreciation	2.6	1.5	6.2	4.4
Amortization expense	11.3	0.5	15.2	1.5
<b>EBITDA</b>	<b>34.0</b>	<b>39.2</b>	<b>30.8</b>	<b>108.9</b>
Stock Compensation expense (a)	0.4	0.6	5.3	1.8
Monitoring fee (b)	0.6	-	0.8	-
Transaction-related costs (c)	-	-	65.0	-
<b>Adjusted EBITDA</b>	<b>35.0</b>	<b>39.9</b>	<b>102.0</b>	<b>110.7</b>
Gain on sale of equipment (d)	1.1	-	1.5	-
<b>Pro forma EBITDA</b>	<b>\$ 36.1</b>	<b>\$ 39.9</b>	<b>\$ 103.5</b>	<b>\$ 110.7</b>

- a) The adjustment reflects the effect of stock compensation expenses recorded in the periods presented in accordance with SFAS No. 123-R "Share-Based Payment."
- b) The adjustment reflects the effect of the annual monitoring fees to be paid to affiliates of the Sponsor and certain other parties in connection with the Transactions.
- c) The adjustment reflects the effect of the transaction-related costs in connection with the Transactions.
- d) Adjusted for purchase accounting impact for gain on sale of rental fleet.



# Neff Corp – 3<sup>rd</sup> Quarter Update

## BALANCE SHEET

in \$ Millions (unaudited)	Sep 2007	Dec 2006
Cash and cash equivalents	\$ 0.1	\$ 0.2
Accounts receivable, net	47.2	49.4
Inventory	1.6	1.6
Rental equipment, net	366.2	318.4
Property and equipment, net	29.7	21.4
Goodwill	378.3	8.7
Debt issuance costs	18.3	13.6
Other assets	143.8	7.3
<b>Total assets</b>	<b>\$ 985.1</b>	<b>\$ 420.6</b>
Accounts payable	\$ 5.2	\$ 4.5
Accrued expenses and other liabilities	40.1	21.0
Debt	723.0	485.7
Deferred income taxes	31.6	-
Total stockholder's deficit	185.1	(90.5)
<b>Total liabilities and stockholder's deficit</b>	<b>\$ 985.1</b>	<b>\$ 420.6</b>

## CASH FLOW STATEMENT

in \$ Millions (unaudited)	Three Months Ended	
	Sep 2007	Sep 2006
Net cash (used in) provided by operating activities	\$ 16.9	\$ 25.4
Net cash used in investing activities	(10.6)	(8.9)
Cash available for debt	6.4	16.4
Net cash provided (used in) financing activities	(7.9)	(16.1)
Net increase (decrease) in cash and cash equivalents	(1.6)	0.3
Cash and cash equivalents, beginning of period	1.6	0.1
<b>Cash and cash equivalents, end of period</b>	<b>\$ 0.1</b>	<b>\$ 0.4</b>



# Neff Corp – 3<sup>rd</sup> Quarter Update

## ▶ 3<sup>rd</sup> Quarter CAPEX and Free Cash Flow Statistics

- Gross fleet capital expenditures were \$17.8 million
- Net fleet capex was \$10.4 million

## ▶ Summary Credit Statistics

- Leverage Ratio 5.1x
- Fixed charge coverage ratio 1.5x
- Liquidity of over \$133.1 million under our credit facility as of September 30, 2007



# Neff Corp – 3<sup>rd</sup> Quarter Update

## Conclusion

- Key question: How will the industry as a whole react to current market conditions?
- We are taking a conservative asset management approach focused on maximizing free cash flow
  - Reduce our fleet size
  - Aggressively redeploy fleet
  - Focus on expense control
  - Protect our core customer base
  - Seek new customer segments
- Continued focus on core client base
  - Superior customer service
  - Strong customer loyalty