

Electro Rent Corporation

Institutional Investor Presentation
Second Quarter Ended November 30, 2007

Safe Harbor Statement

Except for the historical financial results contained in these materials, statements contained in these materials constitute forward-looking statements within the meaning of section 21e of the Securities Exchange Act of 1934. These forward-looking statements reflect current views of our management with respect to future events and financial performance. All plans, projections, and future estimates are forward-looking statements, which in some, but not all, cases, are identified by words such as "anticipate," "believes," "expects," "intends," "future," and other similar expressions. Please do not put undue reliance on forward-looking statements. Forward-looking statements are subject to certain risks and uncertainties, not all of which are disclosed in these materials. Although we believe our assumptions are reasonable, it is likely that at least some of these assumptions will not come true. Accordingly, our actual results will probably differ from the outcomes contained in any forward-looking statement, and those differences could be material. Factors that could cause or contribute to these differences include the ones discussed in the "risk factors" attached as exhibit 99(a) to our annual report on Form 10-k, as well as in our annual report to our shareholders (especially in the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in "Quantitative and Qualitative Disclosure about Interest Rates and Currency Rates") and our other filings with the Securities and Exchange Commission. Should one or more of the risks discussed, or any other risks, materialize, or should one or more of our underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, expected or projected. In light of the risks and uncertainties, there can be no assurance that any forward-looking information will in fact prove to be correct. We do not undertake any obligation to update forward-looking statements.

THESE MATERIALS

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- **DO NOT CONSTITUTE AN OFFERING OR SOLICITATION**
- **WERE PREPARED FOR A SPECIFIC PURPOSE ON A SPECIFIC DATE, AND WILL NOT BE UPDATED EVEN IF EVENTS OCCUR OR NEW FACTS ARE DISCOVERED**

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Company Snapshot

Headquarters	Los Angeles, CA
Founded	1965
Public Spin-off	1980
Employees	310
Revenue Y/E 5/31/07	\$125.3 Million
Net Income Y/E 5/31/07	\$21.0 Million
Revenue 6 Months 11/30/07	\$69.1 Million
Net Income 6 Months 11/30/07	\$11.1 Million

Who We Are

Electro Rent is one of the largest worldwide organizations devoted to the short-term rental, leasing and sales of general purpose electronic test equipment, personal computers and servers

Electro Rent serves large and small companies in various market segments, including aerospace/defense, telecommunications, electronics and semi-conductor manufacturing, electrical contractors, consulting and civil engineering

Our Goals

We intend to extend our status as one of the premier electronic equipment rental and lease companies by:

Extending our reach globally, including current operations in Canada, Europe and China

Expanding our revenues in markets we serve by

- Offering new products,
- Adding new customers,
- Expanding our business with current customers, and
- Strategic acquisitions

Major Events and Trends

With the acquisition of the rental business of GE Capital in November 1997, Electro Rent became one of the premier electronic equipment rental and lease companies in North America

Given the prolonged technology slump that started in 1998, as our revenues declined from 1999 to 2004, we focused on our internal cost structure and operating efficiency

In fiscal 2007 and the first half of fiscal 2008, our T&M business grew as a result of our new operations in China and Europe, distribution sales, and the general improvement in the wireless communications, aerospace and defense, and manufacturing industries

Current phase: intensifying external customer focus, driving revenue growth, maximizing shareholder value

Key Competitive Advantages

- Extensive rental industry knowledge and expertise
- Comprehensive product and service offerings
- Long-term relationships with blue chip customers & vendors
- Global delivery model
- Global resource pool
- Ability to scale rapidly
- Execution excellence
- Experienced and stable leadership/management team
- Substantial net worth and borrowing capacity

Largest Market Segments

Aerospace and Defense Electronics

Telecommunications Manufacturing & Service

Professional Services and Consultants

Semiconductor & Equipment Manufacturing

Architectural, Civil Engineering & Construction

Electronic Technology & Equipment Manufacturing

Major Equipment Categories

Analyzers

Communications/Wireless

Computers

Counters

EMC Test Equipment

Electrical & Industrial Test

General Purpose Test

Generators

Logic Analyzers

Meters

Oscilloscopes

Power Sources

Recorders



Major Equipment Vendors

Agilent

Tektronix

Dell

Anritsu

Rohde & Schwarz

JDSU

Amplifier Research Worldwide

Doble Engineering

2nd Quarter FY08 Highlights

Continued progress in our core T&M equipment rental and lease business and in our global growth initiative helped drive a 8.1% increase in T&M rental and lease revenue

Although Data Products rental and lease revenues increased only slightly, we stabilized the business and significantly reduced operating costs

Our new distribution channel is beginning to make a significant contribution, accounting for much of the 28% increase in sales of equipment and other revenues

We have established a solid foundation for our new global T&M business and our growing domestic business, while keeping SG&A expenses unchanged from the prior year

On an 10.5% increase in revenues, we achieved a 16.5% increase in net income

2nd Quarter - Fiscal 2008 Operating Results

(in millions)

	<u>2nd Quarter</u>		<u>YTD</u>	
Test and Measurement Revenue				
- Rentals and Leases	\$ 21.4	+ 8%	\$ 42.8	+10%
- Sales of Equipment and Other	\$ 6.9	+39%	\$ 13.1	+48%
Data Products Revenue				
- Rentals and Leases	\$ 6.0	+ 1%	\$ 12.1	- 2%
- Sales of Equipment and Other	\$.6	- 31%	\$ 1.1	-26%
Total Revenues	\$ 34.9	+11%	\$ 69.1	+12%
Operating Profit	\$ 8.2	+12%	\$ 16.1	+13%
Net Income	\$ 5.7	+16%	\$ 11.1	+14%
Diluted Earnings Per Share	\$ 0.22	+16%	\$ 0.42	+14%
Equipment Purchase Payments	\$ 16.6	- 10%	\$ 37.2	--
Cash & Marketable Securities	\$ 81.0	+ 3%	\$ 81.0	+ 3%
Rental Equipment, at Cost	\$316.7	+11%	\$316.7	+11%

2nd Quarter Performance

	<u>2nd Quarter</u>		<u>YTD</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Gross Margin on Sales	37%	47%	38%	50%
SG&A/Total Revenue	29%	32%	30%	34%
EBITDA Margin	57%	58%	57%	58%
EBIT Margin	24%	23%	23%	23%
Net Margin	16%	16%	16%	16%
Net Income/Average Equity	9%	8%	9%	9%
Equipment Utilization (eop)				
– T&M	64%	65%	64%	65%
– DP	57%	57%	57%	57%

2nd Quarter Balance Sheet & Cash Flow

(in millions)

	<u>2008</u>	<u>2007</u>
Cash & Marketable Securities	\$ 81.0	\$ 79.0
Rental Equipment Book Value	\$164.7	\$150.4
Debt	---	---
Shareholders' Equity	\$252.9	\$233.7
Cash Provided by Operating		
Activities & Equipment Sales (YTD)	\$ 41.6	\$ 33.1
Equipment Purchase Payments (YTD)	\$ 37.2	\$ 37.2

Fiscal 2007 Operating Results

(in millions)

Test and Measurement Revenue

- Rentals and Leases	\$ 79.4	+11%
- Sales of Equipment and Other	\$ 19.7	- 2%

Data Products Revenue

- Rentals and Leases	\$ 23.7	+27%
- Sales of Equipment and Other	\$ 2.5	- 2%

Total Revenues	\$125.3	+ 9%
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Operating Profit	\$ 29.0	- 8%
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Net Income	\$ 21.0	- 5%
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Diluted Earnings Per Share	\$ 0.81	- 6%
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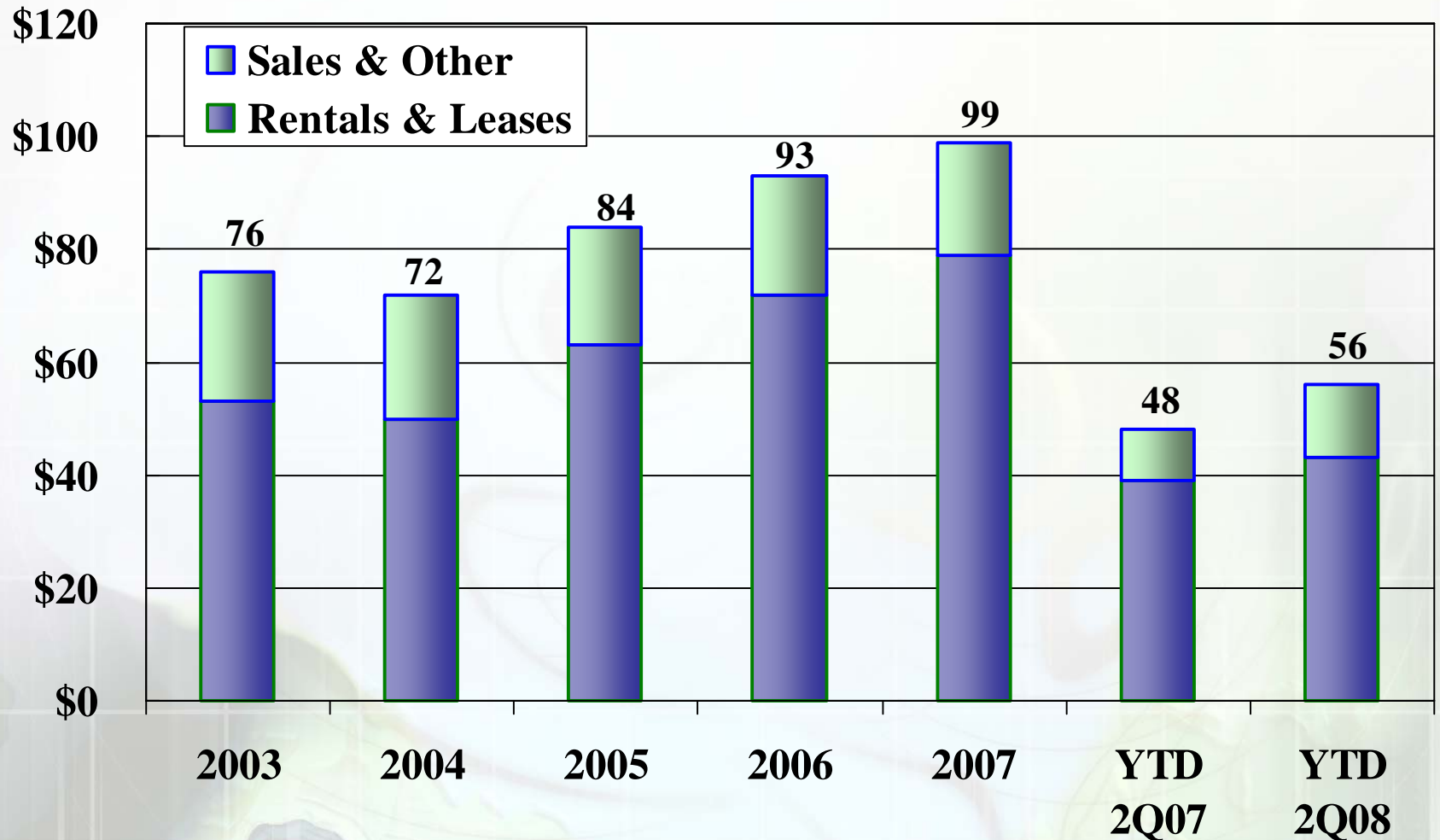
Equipment Purchase Payments	\$ 74.9	+22%
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Cash & Marketable Securities	\$ 80.7	- 1%
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Rental Equipment, at Cost	\$302.0	+15%
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T&M Total Revenues

(in millions)



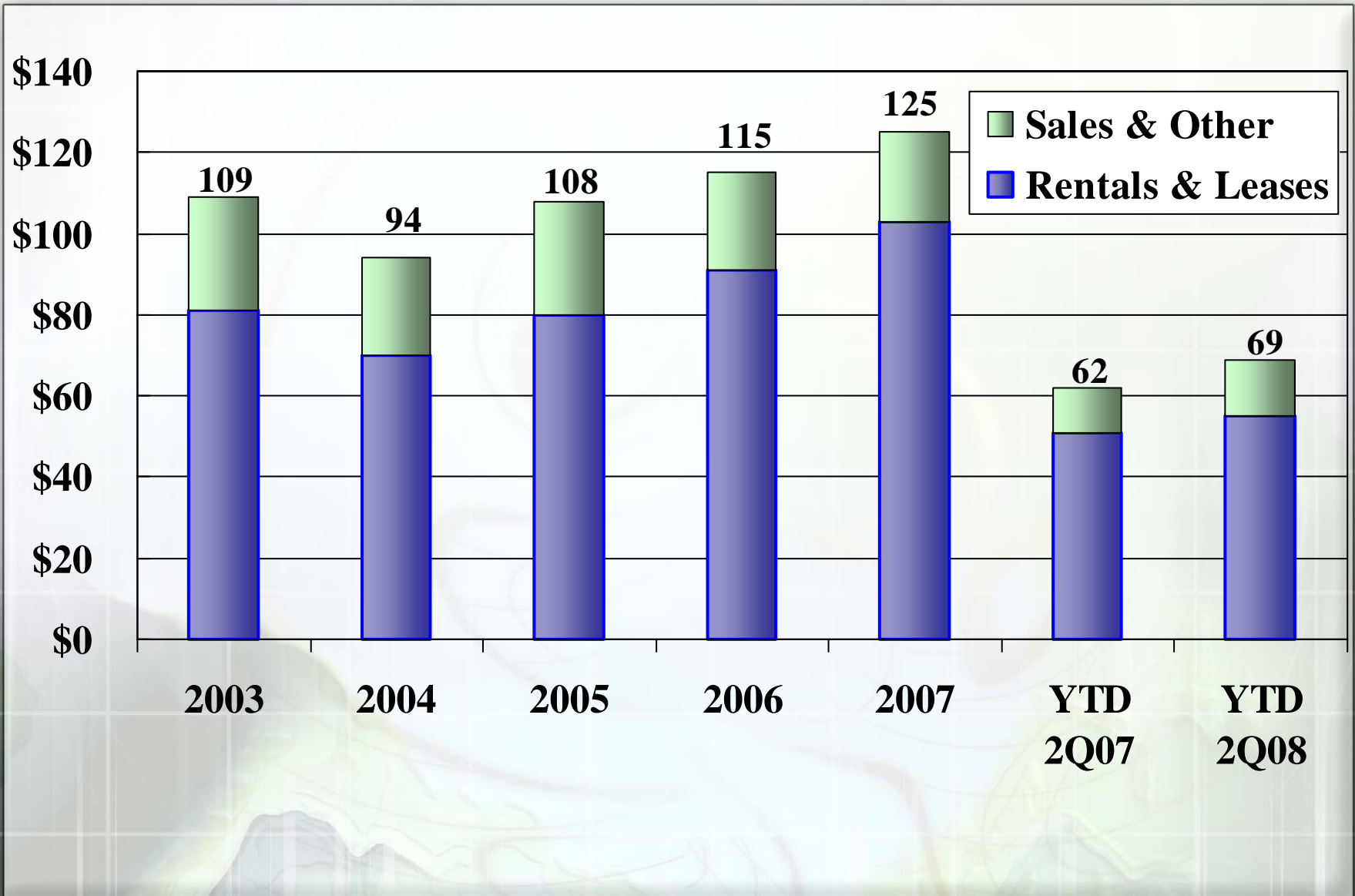
Total DP Total Revenues

(in millions)



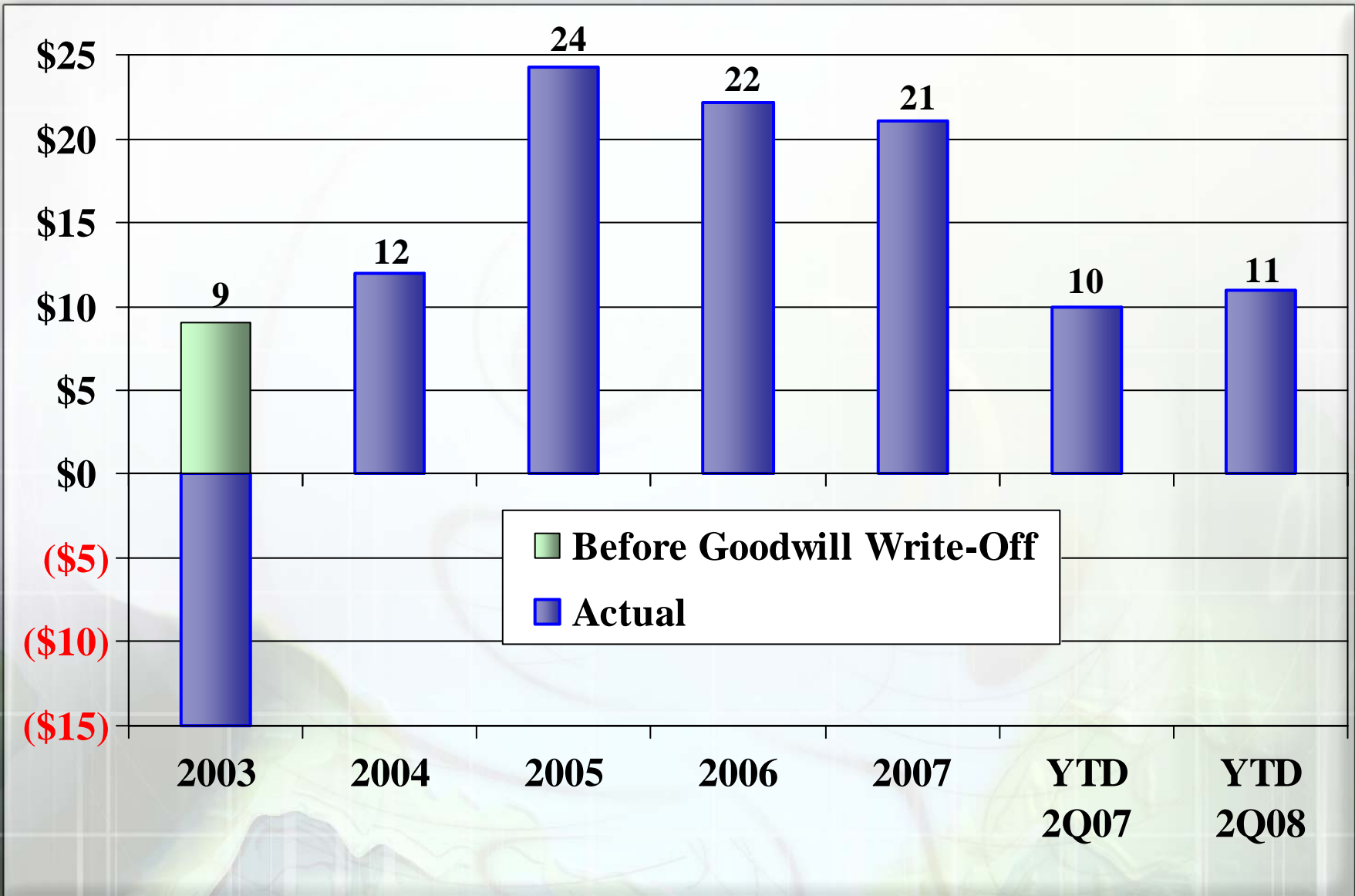
Total Revenues

(in millions)



Net Income

(in millions)



Cash Flows and Equipment Purchases

(in millions)

