

Electro Rent Corporation

Institutional Investor Presentation
Third Quarter Ended February 29, 2008

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	303
Revenue Y/E 5/31/07	\$125.3 Million
Net Income Y/E 5/31/07	\$ 21.0 Million
Revenue 9 Months 2/29/08	\$104.3 Million
Net Income 9 Months 2/29/08	\$ 15.9 Million
Annual Dividend per Share	\$ 0.60

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 Asia

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

During the technology slump from 1999 to 2004, revenues declined and we focused on our internal cost structure and operating efficiency

Our T&M rental and lease business in the U.S. has been growing steadily since 2005, as a result of general improvement in the telecommunications, aerospace, defense, and electronics manufacturing industries

In fiscal 2007 and 2008, our T&M business also benefited from our new operations in Asia and Europe, as well as the addition of distribution sales as a product offering

Our current initiatives include: intensifying external customer focus, driving revenue growth, and increasing profitability

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

3rd Quarter FY08 Highlights

Continued progress in our core T&M equipment rental and lease business and in our global growth initiative helped drive a 8.2% increase in T&M rental and lease revenue.

Data Products rental and lease revenues have stabilized and were unchanged from the prior year.

Distribution sales made a significant contribution to the 50% increase in sales of equipment and other revenues.

On a 14.8% increase in revenues, we achieved a 14.3% increase in operating profit.

3rd Quarter - Fiscal 2008 Operating Results

(in millions)

	<u>3rd Quarter</u>		<u>YTD</u>	
Test and Measurement Revenue				
- Rentals and Leases	\$ 20.7	+ 8%	\$ 63.5	+ 9%
- Sales of Equipment and Other	\$ 8.3	+52%	\$ 21.4	+49%
Data Products Revenue				
- Rentals and Leases	\$ 5.5	- 1%	\$ 17.6	- 1%
- Sales of Equipment and Other	\$.7	+32%	\$ 2.0	- 11%
Total Revenues	\$ 35.2	+15%	\$104.3	+13%
Operating Profit	\$ 6.9	+14%	\$ 23.0	+13%
Net Income	\$ 4.8	- 7%	\$ 15.9	+ 7%
Diluted Earnings Per Share	\$ 0.19	- 5%	\$ 0.61	+ 7%
Equipment Purchase Payments	\$ 18.3	+39%	\$ 55.5	+10%
Cash & Investments	\$ 81.9	- 6%	\$ 81.9	- 6%
Rental Equipment, at Cost	\$323.9	+12%	\$323.9	+12%

3rd Quarter Performance

	<u>3rd Quarter</u>		<u>YTD</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Gross Margin on Sales	34%	47%	37%	48%
SG&A/Total Revenue	29%	32%	30%	33%
EBITDA Margin	52%	61%	54%	56%
EBIT Margin	20%	25%	22%	24%
Net Margin	14%	17%	15%	16%
Net Income/Average Equity	8%	9%	9%	9%
Equipment Utilization (end of period)				
– T&M	63%	66%	63%	66%
– DP	55%	56%	55%	56%

3rd Quarter Balance Sheet & Cash Flow

(in millions)

	<u>2008</u>	<u>2007</u>
Cash & Investments	\$ 81.9	\$ 86.8
Rental Equipment Book Value	\$167.8	\$147.8
Debt	---	---
Shareholders' Equity	\$251.5	\$241.6
Cash Provided by Operating		
Activities & Equipment Sales (YTD)	\$ 63.2	\$ 51.4
Equipment Purchase Payments (YTD)	\$ 55.5	\$ 50.4
Dividends Paid	\$ 7.8	—

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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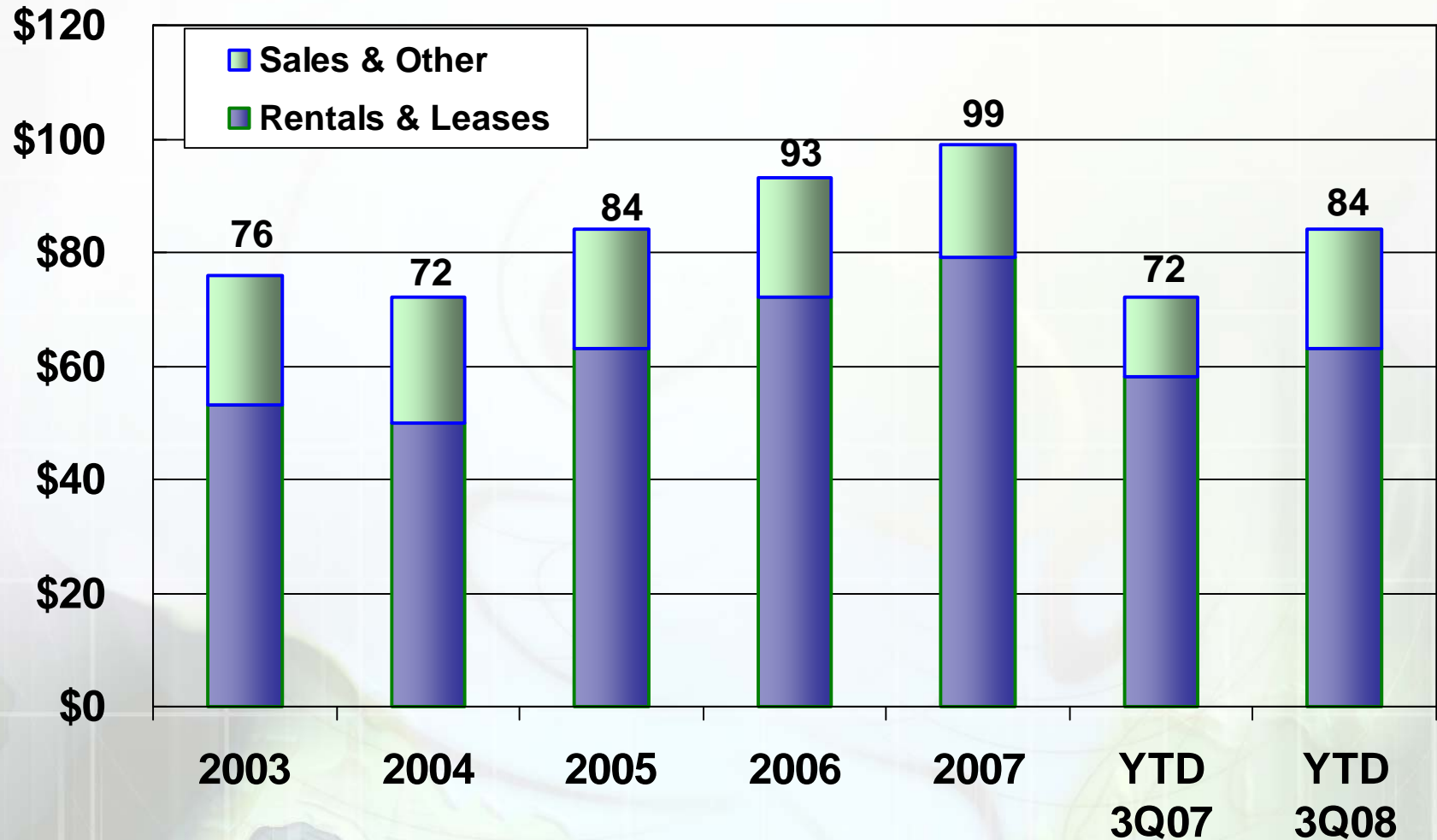
Equipment Purchase Payments	\$ 74.9	+22%
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Cash & Marketable Securities	\$ 80.7	- 1%
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Rental Equipment, at Cost	\$302.0	+15%
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T&M Total Revenues

(in millions)



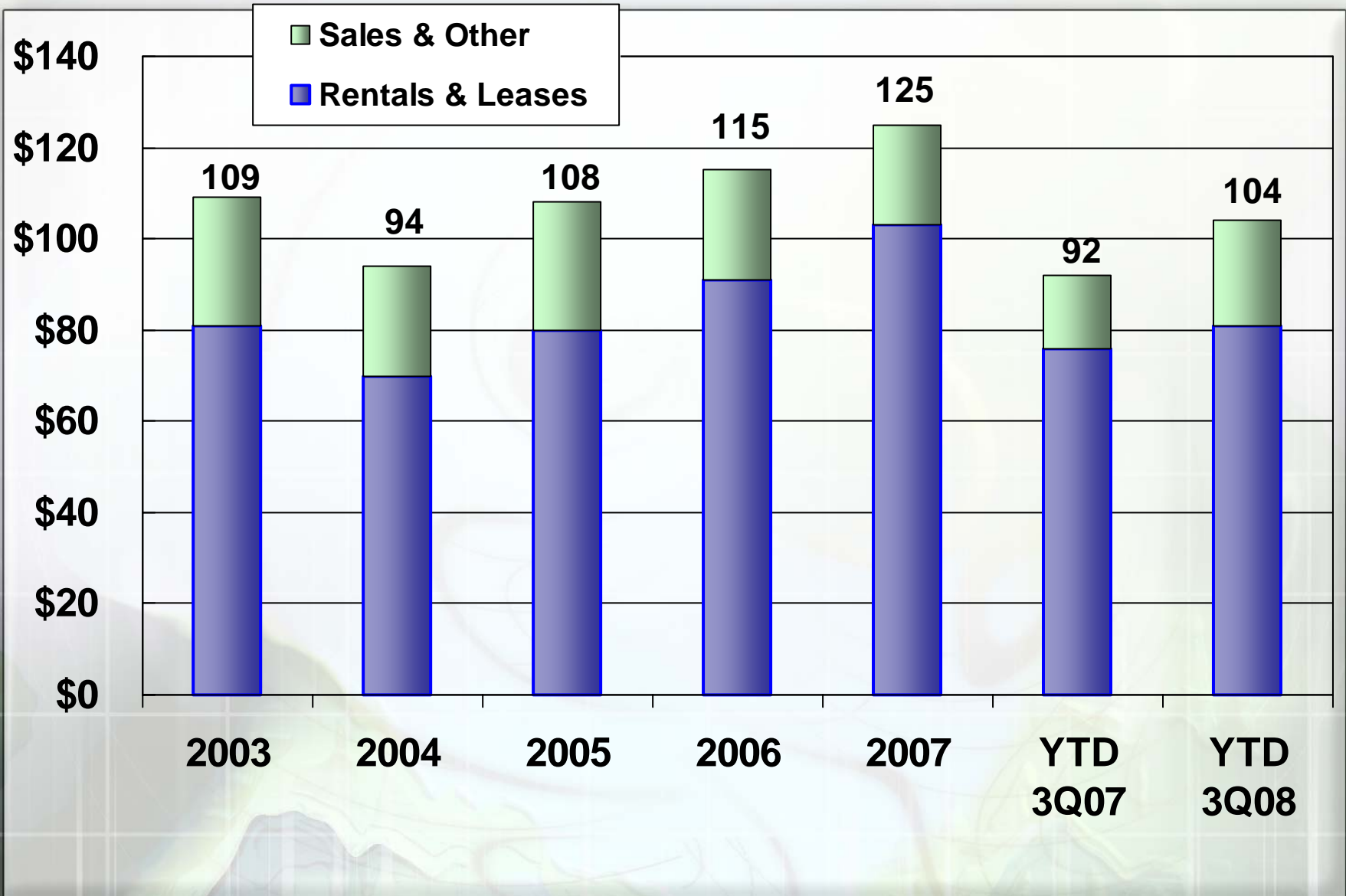
Total DP Total Revenues

(in millions)



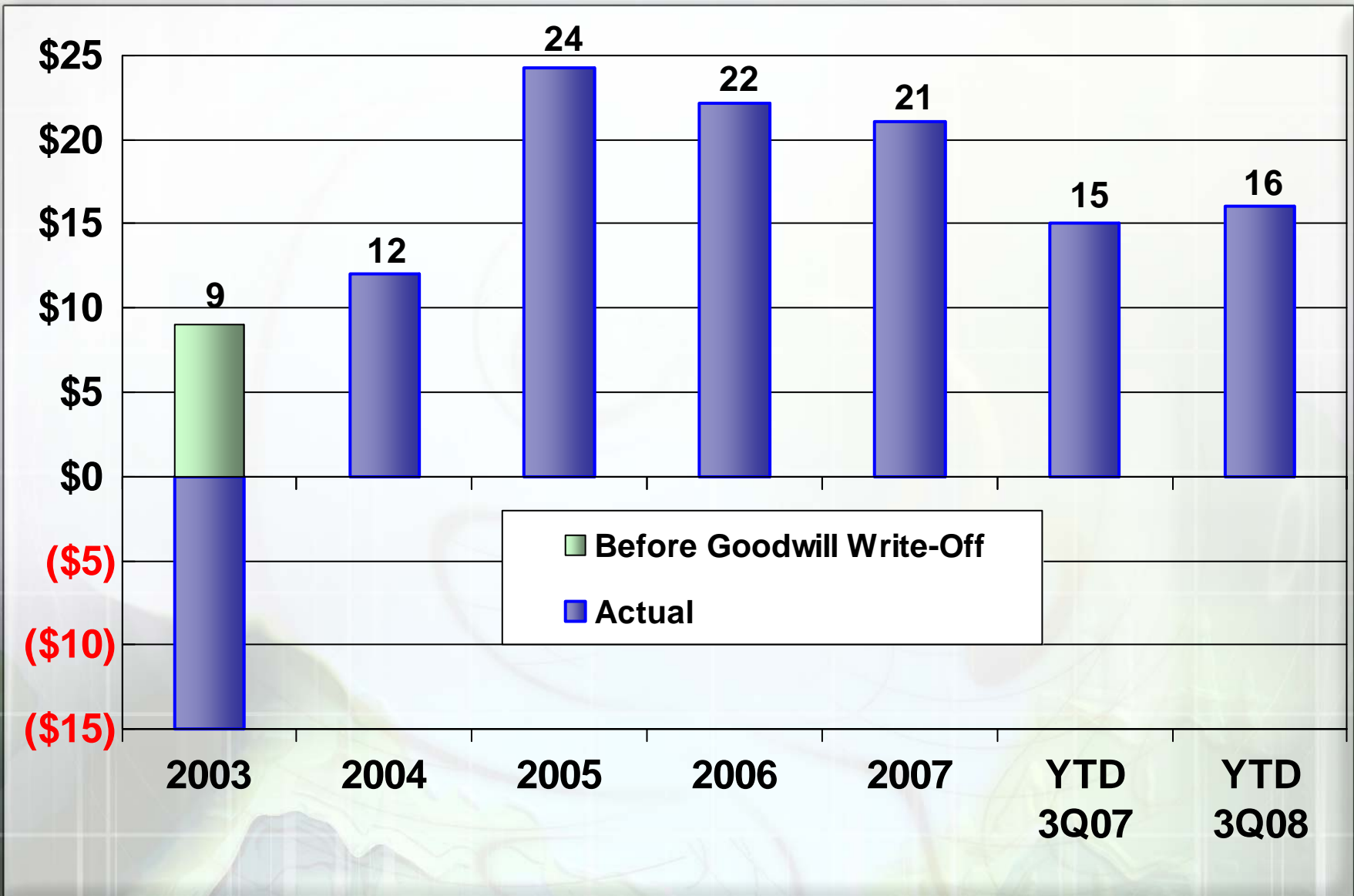
Total Revenues

(in millions)



Net Income

(in millions)



Cash Flows and Equipment Purchases

(in millions)

