



[Table of Contents](#)

**Forward-Looking Statements**

In addition to historical information, this Quarterly Report on Form 10-Q contains forward-looking statements which involve risks and uncertainties that could cause actual results to differ materially. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in this report under “Part II. Item 1A - Risk Factors.” You should carefully review the risks described in this report and in other documents we file from time to time with the Securities and Exchange Commission. When used in this report, the words “expects,” “could,” “would,” “may,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “targets,” “estimates,” “looks for,” “looks to,” and similar expressions, as well as statements regarding our focus for the future, are generally intended to identify forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this report.

**AHERN RENTALS, INC.  
INDEX**

	<u>PAGE</u>	
<b>PART I</b>	<b>FINANCIAL INFORMATION</b>	
<a href="#">Item 1.</a>	<a href="#">Financial Statements</a>	1
	<a href="#">Balance Sheets as of September 30, 2008 (unaudited) and December 31, 2007</a>	1
	<a href="#">Statements of Income and Retained Earnings (unaudited) for the Three- and Nine-Month Periods Ended September 30, 2008 and September 30, 2007</a>	2
	<a href="#">Statements of Cash Flows (unaudited) for the Nine-Month Periods Ended September 30, 2008 and September 30, 2007</a>	3
	<a href="#">Condensed Notes to Financial Statements (unaudited)</a>	4
<a href="#">Item 2.</a>	<a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	5
<a href="#">Item 3.</a>	<a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>	11
<a href="#">Item 4.</a>	<a href="#">Controls and Procedures</a>	11
<b>PART II</b>	<b>OTHER INFORMATION</b>	
<a href="#">Item 1.</a>	<a href="#">Legal Proceedings</a>	12
<a href="#">Item 1A.</a>	<a href="#">Risk Factors</a>	12
<a href="#">Item 2.</a>	<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	17
<a href="#">Item 3.</a>	<a href="#">Defaults Upon Senior Securities</a>	17
<a href="#">Item 4.</a>	<a href="#">Submission of Matters to a Vote of Security Holders</a>	17
<a href="#">Item 5.</a>	<a href="#">Other Information</a>	17
<a href="#">Item 6.</a>	<a href="#">Exhibits</a>	17
	<a href="#">Signatures</a>	18
	Certifications	

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[Table of Contents](#)

**PART I FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**AHERN RENTALS, INC.**  
**Balance Sheets**  
**September 30, 2008 and December 31, 2007**

	<u>SEPTEMBER 30,</u> <u>2008</u>	<u>DECEMBER 31,</u> <u>2007</u>
<b>ASSETS</b>		
Cash	\$ 1,712,360	\$ 4,259,820
Accounts receivable, net of allowance of \$1,775,448 and \$1,548,781	57,899,704	51,436,430
Inventories	35,111,150	56,058,479
Rental equipment, net	560,411,424	518,204,594
Other property and equipment, net	57,734,061	49,760,395
Debt issuance costs, net	8,384,451	9,712,193
Other	6,134,639	4,918,739
	<u>\$ 727,387,789</u>	<u>\$ 694,350,650</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Revolving credit facility	\$ 323,739,554	\$ 246,417,768
Accounts payable	30,705,151	73,731,095
Accrued expenses	18,970,724	21,748,901
Second priority senior secured notes	292,499,199	292,883,697
Other note payable	1,881,877	1,993,874
	<u>667,796,505</u>	<u>636,775,335</u>
<b>Stockholders' Equity</b>		
Common stock, no par or stated value, 25,000 shares authorized, 1,000 shares issued and outstanding	5,915,214	5,915,214
Retained earnings	53,676,070	51,660,101
	<u>59,591,284</u>	<u>57,575,315</u>
	<u>\$ 727,387,789</u>	<u>\$ 694,350,650</u>

See notes to financial statements.

**AHERN RENTALS, INC.**  
**Statements of Income and Retained Earnings (Unaudited)**  
**Three-Month and Nine-Month Periods Ended September 30, 2008 and 2007**

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
<b>REVENUES</b>				
Equipment rentals and related	\$ 88,998,473	\$ 78,433,014	\$ 251,438,593	\$ 211,989,054
Sales of rental equipment	5,109,376	6,609,939	16,089,206	19,419,491
Sales of new equipment and other	7,266,904	6,356,302	25,433,541	13,303,501
	<u>101,374,753</u>	<u>91,399,255</u>	<u>292,961,340</u>	<u>244,712,046</u>
<b>COST OF REVENUES</b>				
Cost of equipment rental operations, excluding depreciation, including related party rent expense of \$1,396,833, \$1,042,956, \$4,075,878, and \$2,803,020	35,523,862	31,113,566	102,243,072	84,224,624
Depreciation, rental equipment	23,234,504	18,875,926	67,440,472	52,855,905
Cost of rental equipment sold	3,294,288	4,774,305	9,921,242	13,893,661
Cost of new equipment sold and other	5,471,859	5,006,351	20,620,082	10,234,786
	<u>67,524,513</u>	<u>59,770,148</u>	<u>200,224,868</u>	<u>161,208,976</u>
<b>GROSS PROFIT</b>	<u>33,850,240</u>	<u>31,629,107</u>	<u>92,736,472</u>	<u>83,503,070</u>
<b>OPERATING EXPENSES</b>				
Selling, general, and administrative, including related party rent expense of \$553,511, \$544,842, \$1,613,878, and \$1,486,013	16,007,013	12,623,053	43,479,129	34,398,955
Depreciation and amortization, non-rental property and equipment	2,243,036	1,905,682	6,738,356	5,451,360
	<u>18,250,049</u>	<u>14,528,735</u>	<u>50,217,485</u>	<u>39,850,315</u>
<b>OPERATING INCOME</b>	<u>15,600,191</u>	<u>17,100,372</u>	<u>42,518,987</u>	<u>43,652,755</u>
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense	(10,896,444)	(10,744,021)	(32,882,564)	(30,416,126)
Other, net	(2,643)	32,244	(116,022)	59,176
	<u>(11,165,127)</u>	<u>(10,711,777)</u>	<u>(33,000,586)</u>	<u>(30,356,950)</u>
<b>NET INCOME</b>	<u>\$ 4,701,104</u>	<u>\$ 6,388,595</u>	<u>\$ 9,520,401</u>	<u>\$ 13,295,805</u>
<b>RETAINED EARNINGS, BEGINNING OF PERIOD</b>	\$ 48,974,966	\$ 40,104,841	\$ 51,660,101	\$ 40,707,249
Net income	4,701,104	6,388,595	9,520,401	13,295,805
Distributions	<u>—</u>	<u>—</u>	<u>(7,504,432)</u>	<u>(7,509,618)</u>
<b>RETAINED EARNINGS, END OF PERIOD</b>	<u>\$ 53,676,070</u>	<u>\$ 46,493,436</u>	<u>\$ 53,676,070</u>	<u>\$ 46,493,436</u>

See notes to financial statements.

**AHERN RENTALS, INC.**  
**Statements of Cash Flows (Unaudited)**  
**Nine-Month Periods Ended September 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 9,520,401	\$ 13,295,805
Adjustments to reconcile net income to net cash provided by operating activities:		
Gross profit on disposition of property and equipment	(5,977,227)	(5,506,383)
Depreciation and amortization of property and equipment	74,178,828	58,307,265
Amortization of debt issuance costs	1,602,742	1,469,414
Amortization of premium on senior secured notes	(384,498)	(363,137)
Bad debts	599,584	189,639
Changes in operating assets and liabilities:		
Accounts receivable	(7,062,858)	(7,642,173)
Inventories	20,947,329	(33,662,600)
Other	(1,102,552)	(23,268)
Accounts payable	(43,025,944)	35,750,747
Accrued expenses	(2,778,177)	128,378
Net cash provided by operating activities	<u>46,517,628</u>	<u>61,943,687</u>
<b>INVESTING ACTIVITIES:</b>		
Purchases of rental equipment	(119,783,578)	(161,853,443)
Purchases of other property and equipment	(15,152,469)	(16,783,389)
Proceeds from sales of rental equipment and other property	16,440,602	20,005,264
Net cash used in investing activities	<u>(118,495,445)</u>	<u>(158,631,568)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	387,371,079	452,790,502
Repayment of borrowings	(310,161,290)	(345,772,102)
Debt issuance costs paid	(275,000)	(2,077,051)
Distributions	(7,504,432)	(7,509,618)
Net cash provided by financing activities	<u>69,430,357</u>	<u>97,431,731</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>(2,547,460)</u>	<u>743,850</u>
<b>CASH, BEGINNING OF PERIOD</b>	<u>4,259,820</u>	<u>1,684,467</u>
<b>CASH, END OF PERIOD</b>	<u>\$ 1,712,360</u>	<u>\$ 2,428,317</u>

See notes to financial statements.

**AHERN RENTALS, INC.**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (UNAUDITED)**

**1. Basis of presentation**

The accompanying unaudited interim financial statements are prepared in accordance with the accounting policies described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and the interim reporting requirements applicable to Form 10-Q. Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. In the opinion of management, all necessary adjustments have been made to present fairly, in all material respects, the financial position, results of operations and cash flows of the Company at September 30, 2008, and for all periods presented. These unaudited financial statements should be read in conjunction with the Company's 2007 Form 10-K from which the balance sheet information as of December 31, 2007 is derived. Interim operating results are not necessarily indicative of operating results to be expected for the full year.

**2. Related party transactions**

During the three-month and nine-month periods ended September 30, 2008 and 2007, the Company purchased approximately \$10.3 million and \$10.6 million, and \$31.9 million and \$31.4 million of equipment, respectively, from an entity controlled by the Company's President, Chief Executive Officer and majority shareholder.

**3. Contingencies**

In October 2008, the Company settled a lawsuit for approximately \$1.7 million. As of September 30, 2008, the Company accrued \$1.1 million related to this settlement, which represents the amount in excess of the Company's insurance coverage for such matters. No amounts related to this matter have previously been accrued.

Additionally, the Company is a defendant in certain other legal matters arising in the ordinary course of business. Based on available information, management is unable to estimate the minimum costs, if any, to be incurred upon disposition of these other matters, and therefore no additional provisions for loss have been made. However, in the opinion of management, the outcome of these other matters is not likely to have a material effect on the future financial position, results of operations or cash flows of the Company.

**4. Reclassifications**

Certain amounts in the 2007 Statements of Income and Retained Earnings have been reclassified to conform to the current year presentation.

**5. Subsequent distribution**

In October 2008, the Company received approval from the lenders under the Company's revolving credit facility and subsequently paid a distribution of \$2,406,649 to its shareholders in accordance with the provisions of the Company's credit agreements.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion should be read in conjunction with the financial statements and notes thereto included in Item 1 of Part I of this quarterly report and the audited financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2007 contained in our 2007 Form 10-K.*

**Overview**

Through our network of 48 equipment rental branches, we rent a full range of equipment, sell our used rental equipment, new equipment, parts, supplies and related merchandise, and provide maintenance, repair and other services that supplement our rental activities. The types of equipment we rent range from a fleet of high reach and earth engaging units to hand tools. Accordingly, our business is capital intensive, and our profitability and cash flows depend upon the availability and terms of financing. See "Liquidity and Capital Resources."

Our revenues are affected primarily by changes in the level of investment in new equipment for our rental fleet, openings of new branch locations and the relative strength of the economies in the geographic regions in which we operate. For financial reporting purposes, our revenues are divided into three categories:

- *Equipment rentals and related* includes revenues from renting equipment and related revenues such as the fees we charge for equipment delivery, damage waivers, repair of rental equipment and fuel. For the quarter ended September 30, 2008, revenues from equipment rentals and related accounted for approximately 88% of our total revenues. Of equipment rentals and related revenues in that period, 67% were attributable to rentals of high reach equipment, 20% to rentals of general rental equipment, including ground engaging equipment, and 13% to rental related revenues.
- *Sales of rental equipment* includes revenues from the sale of our used rental equipment. For the quarter ended September 30, 2008, these revenues accounted for approximately 5% of our total revenues.
- *Sales of new equipment and other* is primarily revenues from the sale of new equipment, merchandise and supplies. For the quarter ended September 30, 2008, these revenues accounted for approximately 7% of our total revenues.

Equipment rental revenues are affected by several factors including general economic conditions and conditions in the non-residential construction industry in particular, the amount and quality of equipment available for rent, rental rates, the mix and percentage of equipment rented, length of time the equipment is on rent, and weather. One metric we use to measure the interaction of changes in rental rates, product mix, average length of rental, and time utilization is "dollar utilization." Dollar utilization is the annualized ratio (expressed as a percentage) of equipment rentals and related revenues on our entire fleet of rental equipment for a period to the average original cost of equipment in our rental fleet during that period. Revenues from the sale of used equipment are affected by price, general economic conditions, the amount and type of equipment available in the marketplace, and the condition and age of the equipment. Consequently, the age and mix of equipment in our rental fleet has a direct impact on these revenues. Other revenues, including revenues from the sale of new equipment and from the sale of parts, supplies and maintenance and repair services, are affected by price and general economic conditions.

For financial reporting purposes, our cost of revenues is divided into four categories.

- *Cost of equipment rental operations, excluding depreciation* includes branch personnel costs, the cost of repairing and maintaining rental equipment and our service and delivery vehicles, fuel costs, occupancy costs and supply costs for our rental locations.
- *Depreciation on rental equipment.*

## Table of Contents

- *Cost of rental equipment sold* represents the net book value of rental equipment sold.
- *Cost of new equipment sold and other* includes the cost of the items we sell, including new equipment, parts, merchandise and supplies.

Operating expenses include all selling, general and administrative expenses (“SG&A”) and depreciation and amortization on non-rental equipment. SG&A expenses include primarily sales force compensation, administrative payroll, marketing costs, professional fees, and property and casualty insurance. Non-rental property and equipment is comprised of all non-rental property and other equipment including our fleet of service and delivery trucks.

Our cost of revenues and operating expenses also include lease expenses for rental branches and other facilities, several of which we lease from affiliates.

Our operating results are subject to annual and seasonal variations resulting from a variety of factors, including overall economic conditions, construction activity in the geographic regions we serve, the competitive supply of rental equipment, the number of our significant competitors and, to a lesser extent, seasonal rental patterns resulting from lower activity by our customers during the winter. The expansion or contraction of our network of rental branches also causes fluctuations in our revenues and operating results, particularly as a result of the timing of new branch openings and expenditures related to those openings. Thus, the results of any period may not be indicative of the results for any future period.

### **Recent Developments**

In October 2008, we opened our 47<sup>th</sup> and 48<sup>th</sup> branches, located in South Lake Tahoe, California and Yuma, Arizona. We lease the real property on which these branches are located from an affiliated entity controlled by Don F. Ahern, our President, Chief Executive Officer and majority shareholder.

### **Results of Operations**

#### ***Three-Month Period Ended September 30, 2008 (“2008”) Compared to the Three-Month Period Ended September 30, 2007 (“2007”).***

##### ***Revenues***

Revenues in 2008 increased 11%, or \$10.0 million, over 2007. The primary factors contributing to the change are discussed below.

*Equipment rentals and related revenues.* Equipment rentals and related revenues in 2008 increased 13%, or \$10.6 million, over 2007. These revenues accounted for 88% and 86% of total revenues in 2008 and 2007, respectively. Same branch revenues increased 12%, or \$9.1 million; the remaining \$1.5 million increase in revenues is from three new branches opened after the third quarter of 2007. Additionally, the increased revenues resulted from an increase in the number of units available for rent as a result of capital expenditures that increased the average original cost of our rental fleet to \$815 million in 2008 from \$650 million in 2007, offset by a decrease in our average dollar utilization to 44% in 2008 from 48% in 2007. Additionally, average rental rates decreased 5%, and the average time utilization of our high reach equipment was 70% for 2008 compared to 72% for 2007.

*Sales of rental equipment.* Sales of rental equipment in 2008 decreased 23% from 2007 due mainly to a 30% decrease in the number of units sold in 2008. The decrease in volume can be attributed to softening in the used equipment markets and the mix of equipment sold.

*Sales of new equipment and other revenues.* Sales of new equipment and other revenues in 2008 increased 14% over 2007, mostly due to increased merchandise sales. Although we sold about twice as many new equipment units in 2008 compared to 2007, our revenues from new equipment sales increased 3% due to the mix of equipment sold.

## Table of Contents

### ***Cost of Revenues***

Cost of revenues in 2008 increased 13% over 2007. As a percentage of revenues, cost of revenues was 67% in 2008 and 65% in 2007. The primary factors contributing to the change are described below.

*Cost of equipment rental operations, excluding depreciation.* Cost of equipment rental operations, excluding depreciation, in 2008 increased 14% over 2007 due mainly to increased repairs and maintenance, and fuel and vehicle expenses in support of the increased size of our rental fleet. Total payroll costs increased less than 5% in 2008 compared to 2007 due to some economies of scale in our branch operations and also improved cost containment in our health benefit programs. As a percentage of equipment rentals and related revenues, cost of equipment rental operations was 40% in 2008 and 2007.

*Depreciation, rental equipment.* Depreciation, rental equipment in 2008 increased 23% over 2007 due to the increased investment in our rental fleet described under the caption “–Revenues –Equipment rentals and related revenues.”

*Cost of rental equipment sold.* Cost of rental equipment sold in 2008 decreased 31% compared to 2007. This decrease is due to the 23% decrease in revenue from the sale of rental equipment units sold as described under the caption “–Revenues –Sales of rental equipment”, and because our profit margins improved in 2008 due mainly to the mix of equipment sold. The main cost of rental equipment sales is the net carrying value of the sold equipment, which averaged 64% and 72% of the selling price in 2008 and 2007, respectively.

*Cost of new equipment sold and other.* Cost of new equipment sold and other in 2008 increased 9% over 2007. This is consistent with the 14% increase in sales of new equipment and other revenues described under the caption “–Revenues–Sales of new equipment and other revenues.” Also, profit margins on merchandise sales improved to 33% in 2008 compared to 26% in 2007. Additionally, profit margins on new equipment sales decreased to 12% in 2008 compared to 13% in 2007.

### ***Selling, General and Administrative***

SG&A in 2008 increased 27% over 2007. The increase relates to payroll costs, travel and entertainment costs, legal fees, and other miscellaneous administrative costs resulting from supporting the growth of our rental fleet and our business. We also accrued \$1.1 million as of September 30, 2008 related to a legal settlement reached in October 2008. Excluding the effects of this legal settlement, SG&A in 2008 increased 18% over 2007. As a percentage of total revenues, SG&A was 16% for 2008 and 14% for 2007. However, excluding the effects of the legal settlement referred to above, as a percentage of total revenues, SG&A was 15% in 2008.

### ***Depreciation and Amortization, Non-Rental Property and Equipment***

Depreciation and amortization, non-rental property and equipment in 2008 increased 18% over 2007. This was due to an increased investment in non-rental property and equipment, resulting from the growth of our rental fleet and our business, to an average original cost of \$91 million in 2008 compared to \$72 million in 2007.

### ***Interest Expense***

Interest expense in 2008 increased 1% over 2007 due to higher average debt balances of \$616 million in 2008 compared to \$482 million in 2007 to fund the growth in our fleet of rental and non-rental equipment. The effect of the increased debt was offset by a decrease in our weighted average interest rate to 6.7% in 2008 from 8.4% in 2007, primarily due to decreases in the LIBOR index rate applicable to amounts outstanding under our revolving credit facility. See “—Liquidity and Capital Resources.”

[Table of Contents](#)

***Nine-Month Period Ended September 30, 2008 (“2008”) Compared to the Nine-Month Period Ended September 30, 2007 (“2007”).***

***Revenues***

Revenues in 2008 increased 20%, or \$48.2 million, over 2007. The primary factors contributing to the change are discussed below.

*Equipment rentals and related revenues.* Equipment rentals and related revenues in 2008 increased 19%, or \$39.5 million, over 2007. These revenues accounted for 86% and 87% of total revenues in 2008 and 2007, respectively. Same branch revenues increased 18%, or \$37.6 million; the remaining \$1.9 million increase in revenues is from three new branches opened after the third quarter of 2007. Additionally, the increased revenues resulted from an increase in the number of units available for rent as a result of capital expenditures that increased the average original cost of our rental fleet to \$783 million in 2008 from \$613 million in 2007, offset by a decrease in our average dollar utilization to 43% in 2008 from 46% in 2007. Additionally, average rental rates decreased 3%, and the average time utilization of our high reach equipment decreased to 69% for 2008 from 70% for 2007.

*Sales of rental equipment.* Sales of rental equipment in 2008 decreased 17% from 2007 due mainly to an approximate 17% decrease in the number of units sold in 2008. The decrease in volume can be attributed to softening in the used equipment market.

*Sales of new equipment and other revenues.* Sales of new equipment and other revenues in 2008 increased 91%, or \$12.1 million, over 2007, mostly due to new equipment sales and merchandise sales. Approximately \$4.9 million of the increased revenues relates to the sale of a group of new equipment units held for resale; these units were sold in March 2008. Excluding this transaction, sales of new equipment and other revenues in 2008 increased 55% over 2007, mostly due to new equipment sales and higher merchandise sales. We sold nearly three times the number of new equipment units in 2008 than in 2007, resulting in approximately \$9.2 million in increased revenues. This increased sales volume is mainly attributable to the hiring of a sales manager in the summer of 2007 who provides support and coaching of the sales force on new equipment sales. Merchandise sales increased approximately \$2.1 million in 2008 compared to 2007 due to increased emphasis on such sales.

***Cost of Revenues***

Cost of revenues in 2008 increased 24% over 2007. As a percentage of revenues, cost of revenues was 68% in 2008 and 66% in 2007. The primary factors contributing to the change are described below.

*Cost of equipment rental operations, excluding depreciation.* Cost of equipment rental operations, excluding depreciation, in 2008 increased 21% over 2007 due mainly to increased payroll costs, repairs and maintenance, fuel and vehicle expenses in support of the increased size of our fleet. Total payroll costs increased less than 13% in 2008 compared to 2007 due to some economies of scale in our branch operations and also improved cost containment in our health benefit programs. As a percentage of equipment rentals and related revenues, cost of equipment rental operations was 41% in 2008 and 40% in 2007.

*Depreciation, rental equipment.* Depreciation, rental equipment in 2008 increased 28% over 2007 due to the increased investment in our rental fleet described previously under the caption “—Revenues —Equipment rentals and related revenues.”

*Cost of rental equipment sold.* Cost of rental equipment sold in 2008 decreased 29% compared to 2007. This decrease is due to the 17% decrease in revenue from the sale of rental equipment units sold as described under the caption “—Revenues —Sales of rental equipment”, and because our profit margins improved in 2008 due mainly to the mix of equipment sold. The main cost of rental equipment sales is the net carrying value of the sold equipment, which averaged 62% and 72% of the selling price in 2008 and 2007, respectively.

*Cost of new equipment sold and other.* Cost of new equipment sold and other in 2008 increased 101%, or \$10.4 million, over 2007. Approximately \$5.1 million of the increased cost of revenues relates to the sale of a group

## Table of Contents

of new equipment units held for resale; these units were sold in March 2008. Excluding this transaction, cost of new equipment sold and other in 2008 increased 52% over 2007 mostly due to new equipment sales and increased sales of merchandise. We sold nearly three times the number of new equipment units in 2008 than in 2007. Profit margins on new equipment sales improved to 12% in 2008 compared to 11% in 2007 due mainly to the improved efforts of our sales team derived from the support and coaching of the sales manager hired in the summer of 2007 as described under the caption “—Revenues –Sales of new equipment and other revenues.”

### ***Selling, General and Administrative***

SG&A in 2008 increased 26% over 2007. The increase relates to payroll costs, travel and entertainment costs, legal fees, and other miscellaneous administrative costs resulting from supporting the growth of our rental fleet and our business. We also accrued \$1.1 million as of September 30, 2008 related to a legal settlement reached in October 2008. Excluding the effects of this legal settlement, SG&A in 2008 increased 23% over 2007. As a percentage of total revenues, SG&A was 15% for 2008 and 14% for 2007. However, excluding the effects of the legal settlement referred to above, as a percentage of total revenues, SG&A was 14% in 2008.

### ***Depreciation and Amortization, Non-Rental Property and Equipment***

Depreciation and amortization, non-rental property and equipment in 2008 increased 24% over 2007. This was due to an increased investment in non-rental property and equipment, resulting from the growth of our rental fleet and our business, to an average original cost of \$86 million in 2008 compared to \$67 million in 2007.

### ***Interest Expense***

Interest expense in 2008 increased 8% over 2007 due to higher average debt balances in 2008 of \$595 million compared to \$454 million in 2007 to fund the growth in our fleet of rental and non-rental equipment. The effect of the increased debt was offset by a decrease in our weighted average interest rate to 7.0% in 2008 from 8.5% in 2007, primarily due to decreases in the LIBOR index rate applicable to amounts outstanding under our revolving credit facility. See “—Liquidity and Capital Resources.”

## **Liquidity and Capital Resources**

### ***Indebtedness***

**Credit Facility.** As of September 30, 2008, we had \$323.7 million outstanding and \$25.8 million of unused availability under the credit facility. This credit facility, secured by a first priority interest in substantially all of our existing and future acquired assets, is used to finance working capital needs and capital expenditures and for general corporate purposes. Cash flow from operations and net proceeds from the sale of our used rental equipment are applied to reduce borrowings under our credit facility, and our expenditures for rental equipment and other property and equipment increase borrowings under our credit facility. As of September 30, 2008, the credit facility had a weighted average interest rate of 5.0% per annum.

**Second Priority Senior Secured Notes.** At September 30, 2008, we had outstanding \$290 million principal amount of 9 1/4% Second Priority Senior Secured Notes (the “Second Priority Notes”). These notes are due August 15, 2013 and are secured on a second priority basis, behind the credit facility, by substantially all of our existing and future acquired assets.

As of September 30, 2008, our aggregate weighted average interest rate was approximately 7.0% and our debt totaled \$615.6 million.

### ***Adequacy of Capital Resources***

Our business is capital intensive. We purchase new equipment both to expand the size and maintain the age of our rental fleet. For the nine-month periods ended September 30, 2008 and 2007, we had total expenditures on new rental equipment of \$119.8 million and \$161.9 million, respectively. During the second quarter of 2008, we

[Table of Contents](#)

began aggressively scaling back our capital expenditures and we expect this trend to continue for the remainder of 2008 and into 2009 based on anticipated customer demand and market conditions. However, if demand for rental equipment from our customers increases, expenditures to purchase new rental equipment, replace used rental equipment, and purchase transportation equipment could remain constant or increase depending on availability of financing.

We manage our liquidity using cash management practices that project our future sources and uses of cash, taking into consideration the contractual requirements of our financing agreements. Our principal existing sources of cash are generated from operations and from the sale of rental equipment and borrowings under our credit facility. Our current and expected long-term cash requirements consist primarily of expenditures to fund operating activities and working capital, to purchase new rental equipment, and to meet debt service obligations.

We believe that, subject to the effects of further economic developments and the outcome of related uncertainties (see Part II, Item 1A, Risk Factors, below), our existing sources of liquidity will be sufficient to meet the cash requirements of our operations for at least the next twelve months. To the extent the sources of liquidity described above are not sufficient to fund our operations, we may require additional debt or equity financing, access to which will be affected by prevailing economic conditions and financial, business, and other factors, some of which are beyond our control. In addition, our ability to access additional or alternative sources of capital is restricted by the indenture governing our notes and the terms of the agreements governing our credit facility. See “Item 1A – Risk Factors.”

*Sources and uses of cash.* Net cash provided by operating activities was \$46.5 million for the first nine months of 2008 compared to \$61.9 million for the same period in 2007. The lower amount in 2008 resulted mainly from the deferral of approximately \$20 million of cash payments into 2008 for equipment acquired in 2007. Net cash used in investing activities was \$118.5 million for the first nine months of 2008 compared to \$158.6 million in the same period in 2007. The lower amount of cash used in 2008 resulted from planned reductions in capital expenditures, realized primarily in the third quarter of 2008. Net cash provided by financing activities was \$69.4 million for the first nine months of 2008 compared to \$97.4 million for the same period in 2007. The lower amount in 2008 results from lower net borrowings caused by our planned reductions in capital expenditures.

**Non-GAAP Financial Measures**

The Company presents EBITDA because it believes EBITDA is a useful analytical tool for assessing the Company’s financial performance, including its ability to meet future debt service obligations and capital expenditure and working capital requirements. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. EBITDA is not, however, a measure of financial performance or liquidity under U.S. generally accepted accounting principles. Accordingly, EBITDA should not be considered a substitute for net income or cash flows as an indicator of the Company’s operating performance or liquidity. EBITDA margin is EBITDA as a percentage of total revenues. For purposes of the following, debt includes line of credit payable, notes payable, capital lease obligations, and the Second Priority Notes.

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
EBITDA	\$ 41,075,088	\$ 37,914,224	\$ 116,581,793	\$ 102,019,196
EBITDA margin	40.5%	41.5%	39.8%	41.7%
		<b>Twelve Months Ended September 30, 2008</b>		
EBITDA		\$ 159,238,814		
EBITDA margin		41.0%		
Debt to EBITDA ratio		3.87x		

[Table of Contents](#)

The tables below provide reconciliations of net income and EBITDA for the periods indicated.

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
Net income	\$ 4,701,104	\$ 6,388,595	\$ 9,520,401	\$ 13,295,805
Interest expense	10,896,444	10,744,021	32,882,564	30,416,126
Depreciation, rental equipment	23,234,504	18,875,926	67,440,472	52,855,905
Depreciation and amortization, non-rental property and equipment	2,243,036	1,905,682	6,738,356	5,451,360
EBITDA	<u>\$ 41,075,088</u>	<u>\$ 37,914,224</u>	<u>\$ 116,581,793</u>	<u>\$ 102,019,196</u>

	Twelve Months Ended September 30, 2008
Net income	\$ 18,140,671
Interest expense	44,310,088
Depreciation, rental equipment	88,066,249
Depreciation and amortization, non-rental property and equipment	8,721,806
EBITDA	<u>\$ 159,238,814</u>

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The fair market value of long-term fixed interest rate debt is subject to interest rate risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair market value of our long-term fixed interest rate debt as of September 30, 2008 was \$146.5 million; its carrying value was \$290.0 million. Fair market values were determined from quoted market prices.

The interest on borrowings under our credit facility is at variable rates based on a financial performance test. Borrowings under the credit facility bear interest at a rate equal to an applicable margin percentage plus either LIBOR or the prime rate. The applicable margin percentage varies from 175 to 225 basis points for LIBOR-based loans and zero to 50 basis points for prime rate loans. In addition, our credit facility has an annual unused line fee of 25 basis points for each lender's unused commitments under the revolving credit line. An increase in interest of 100 basis points would increase our annual interest expense by \$3.2 million based on \$323.7 million, which was the amount outstanding under our credit facility as of September 30, 2008.

**ITEM 4. CONTROLS AND PROCEDURES**

(a) **Evaluation of disclosure controls and procedures.** Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

(b) **Changes in internal controls over financial reporting.** There were no changes in our internal controls over financial reporting that occurred during the third quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

**PART II OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

We are party to various litigation matters in the ordinary course of our business. We cannot estimate our ultimate legal and financial liability, if any, with respect to our pending litigation matters at this time. However, we believe, based on our examination of such matters, that our ultimate liability will not have a material adverse effect on our future financial position, results of operations or cash flows.

**ITEM 1A. RISK FACTORS**

*Our business, our 9 1/4% Second Priority Senior Secured Notes due 2013 and our financial performance are subject to the following risks. If any of the circumstances described in these risk factors occurs, our business, results of operations or financial condition would likely suffer and the value of our outstanding notes could be adversely affected.*

***Decreases in construction, industrial activities or the convention business could adversely affect our revenues and operating results by decreasing the demand for our equipment or the rental rates or prices we can charge.***

Our products and services are used primarily in non-residential construction activity and, to a lesser extent, in residential construction activity, industrial activity and the convention business. Weakness in our end markets, such as a decline in construction, industrial activity or the convention business, has led in the past and may in the future lead to a decrease in the demand for our equipment or the rental rates or prices we can charge. For example, in 2002 and 2003, non-residential construction activity declined significantly from prior periods, which had an adverse effect on our results in 2002 and 2003. If there are significant declines in non-residential construction activity in our principal markets, our operating results could be adversely affected by decreasing our revenues and gross profit margins.

Certain factors that may cause weakness in the construction industry include:

- weakness in the economy or the onset of a recession;
- an increase in interest rates;
- lack of available financing to fund development projects;
- reductions in corporate spending for plants and facilities or government spending for infrastructure projects;
- adverse weather conditions or natural disasters;
- terrorism or hostilities involving the United States; and
- an increase in the cost of construction materials.

Our operating results are highly dependent on the strength of the Las Vegas economy and that of the other principal market areas in which we operate. In 2007, 2006 and 2005, the percentage of our total revenues attributable to our Las Vegas operations was 32%, 35%, and 37%, respectively. An additional 33%, 35%, and 35% were generated in California. For the three months ended September 30, 2008, 28% of our total revenues were attributable to our Las Vegas operations and 31% to California. For the nine months ended September 30, 2008, 31% of our total revenues were attributable to our Las Vegas operations and 30% to California. Any future weakness in the Las Vegas or California economies could have a material adverse effect on our operations.

## Table of Contents

### ***Our substantial debt exposes us to various risks.***

Our total indebtedness was \$615.6 million at September 30, 2008. Our substantial indebtedness has the potential to affect us adversely in many ways. For example, it will or could:

- increase our vulnerability to adverse economic, industry or competitive developments;
- require us to devote a substantial portion of our cash flow to debt service, reducing funds available for other purposes or otherwise constrain our financial flexibility;
- affect our ability to obtain financing, particularly since substantially all of our assets are subject to security interests relating to existing indebtedness; or
- decrease our profitability or cash flow.

Also, if we are unable to service our indebtedness and fund our operations, we will be forced to seek alternatives that may include:

- reducing or delaying capital expenditures;
- limiting our growth;
- seeking additional capital;
- selling assets; or
- restructuring or refinancing our indebtedness.

If we adopt an alternative strategy, it may not be successful and we may still be unable to service our indebtedness and fund our operations.

***If we are unable to obtain additional capital as required, we may be unable to fund the capital outlays required for the success of our business, including those relating to purchasing equipment and to new rental branches. If we expand our operations, we may incur significant transaction expenses and experience risks associated with entering new markets.***

Our ability to compete, sustain our growth and expand our operations through new branches largely depends on access to capital. If the cash we generate from our business, together with cash on hand and cash that we may borrow under our credit facility, is not sufficient to implement our growth strategy and meet our capital needs, we will require additional financing. However, we may not succeed in obtaining additional financing on terms that are satisfactory to us or at all. Due to recent developments and current conditions in the credit and capital markets, financing may not be available to us at acceptable rates or prices. In addition, our ability to obtain additional financing is restricted by both the indenture governing our notes and the agreements governing our revolving credit facility. Although the terms of our existing debt agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. If we are unable to obtain sufficient additional capital in the future, we may be unable to fund the capital outlays required for the success of our business, including those relating to purchasing equipment and to new rental branches. Furthermore, any additional indebtedness that we do incur may make us more vulnerable to the risks described above relative to our substantial debt levels.

The opening of any new branches or the completion of any future acquisitions of other equipment rental companies may result in significant start-up or transaction expenses and risks associated with entering new markets in which we have limited or no experience. New rental branches, in particular, require significant capital expenditures and may initially have a negative impact on our results of operations. New branches may not become profitable when projected or ever. Our ability to realize the expected benefits from any future acquisitions of other equipment rental companies depends in large part on our ability to integrate and consolidate the new operations with

## Table of Contents

our existing operations in a timely and effective manner. In addition, we may fail or be unable to discover certain liabilities of any acquired business, including liabilities relating to noncompliance with environmental and occupational health and safety laws and regulations. Any significant diversion of management's attention from our existing operations, the loss of key employees or customers of any acquired business, or any major difficulties encountered in opening new branches or integrating new operations could have a material adverse effect on our business, financial condition or results of operations.

***Economic conditions could adversely affect the lenders that are parties to our revolving credit facility.***

As of September 30, 2008, we had \$25.8 million of unused availability under our revolving credit facility. Several banks and other financial institutions have been adversely affected by conditions in the banking and financial markets during the past three months. If any of the lenders that are parties to our revolving credit facility experience difficulties that render them unable to fund future draws on the facility, we may not be able to access all or a portion of these funds. The inability to make future draws on our credit facility could have a material adverse effect on our business, results of operation or ability to maintain the overall quality of our rental fleet.

***We depend on key personnel whom we may not be able to retain.***

Our future performance depends on the continued contributions of key management personnel. A loss of one or more of these key people, our inability to attract and retain additional key management personnel, including qualified rental store managers, or the inability of these personnel to manage our operations successfully could harm our business and prevent us from implementing our business strategy. We do not maintain "key man" life insurance, and do not have employment agreements with any of our key employees.

***The equipment rental industry is highly competitive, and competition could lead to a decrease in our market share or in the rental rates and prices we charge.***

The equipment rental industry is highly fragmented and competitive. Our competitors include:

- small independent businesses with one or two rental locations;
- regional competitors that operate in one or more states;
- large national companies, including public companies and divisions of public companies; and
- equipment manufacturers and dealers that both sell and rent equipment directly to customers.

Many of our competitors are significantly larger and have greater financial and marketing resources than we have, are more geographically diverse than we are and have greater name recognition than we do. We may in the future encounter increased competition in the equipment rental market or in the equipment repair and services market from existing competitors or from new market entrants.

Competition could adversely affect our revenues and operating results by decreasing our market share or depressing the rental rates and prices we can charge. We believe rental rates are one of the primary competitive factors in the equipment rental industry. From time to time, we or our competitors may attempt to compete aggressively by lowering rental rates or prices. To the extent we lower rental rates or prices to attempt to increase or retain market share, our operating margins would be adversely impacted. In some cases, we may not be able to or may choose not to match a competitor's rate or price reductions. If we do not, we may lose market share, resulting in decreased revenues and cash flow, which could have a material adverse effect on our business.

## [Table of Contents](#)

***Disruptions in our information technology systems could adversely affect our operating results by limiting our capacity to effectively monitor and control our operations.***

Our information technology systems help us monitor and control our operations to adjust to changing market conditions, including management of our floating fleet. Any disruptions in our information technology systems or the failure of these systems to operate as expected could adversely affect our operating results.

***The nature of our business exposes us to liability claims, which may exceed the level of our insurance.***

Our business exposes us to claims for personal injury, death or property damage resulting from the use of the equipment we rent, sell, service or repair and from injuries caused in motor vehicle accidents in which our personnel are involved. Our business also exposes us to worker compensation claims and other employment-related claims. We carry comprehensive insurance, subject to deductibles, at levels we believe are sufficient to cover existing and future claims. Although we have not experienced any material losses that were not covered by insurance, claims have been made against us which, on their face, far exceeded the level of our insurance. Future claims may exceed the level of our insurance, and our insurance may not continue to be available on economically reasonable terms, or at all. In addition, certain types of claims, such as claims for punitive damages, are not covered by our insurance. See Note 3 to our financial statements included in this report and Management's Discussion and Analysis of Financial Condition and Results of Operations—Selling, General and Administrative in Part I, Item 2 of this report.

***We must comply with numerous environmental and occupational health and safety regulations that may subject us to unanticipated liabilities.***

Our facilities and operations are subject to federal, state and local environmental and occupational safety and health requirements, including those relating to discharges of substances into the air, water and land, the handling, storage, use and disposal of hazardous materials and wastes and the cleanup of properties affected by pollutants. We do not anticipate any material adverse effect on our business, financial condition or competitive position as a result of our efforts to comply with these requirements. However, if we violate environmental laws or regulations, we may be held liable for damages and the costs of remedial actions, and could be subject to fees and penalties. We may violate or incur liability under environmental laws and regulations in the future as a result of human error, newly discovered noncompliance, contamination or other causes. These violations or liabilities could have a material adverse effect on our business, financial condition and results of operations.

Under some environmental laws and regulations, an owner or operator of a site or facility may be liable for the costs of removal or remediation of hazardous substances located on or emanating from the site or facility. These laws and regulations often impose strict and, under certain circumstances, joint and several liability without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous substances.

Some of our business operations at existing and former branches use, or have used, substances which are or may be considered hazardous or otherwise are subject to applicable environmental requirements. As a result, we may incur liability in connection with the use, management and disposal of these substances. We use hazardous materials such as petroleum products for fueling our rental equipment and vehicles and solvents to clean and maintain rental equipment and vehicles. We incur expenses associated with using, storing and managing these materials in compliance with environmental requirements. We also generate and must manage in accordance with applicable environmental laws and regulations certain used or spent materials such as used motor oil, radiator fluid and solvents. We often seek to reuse, recycle or dispose of these spent materials at offsite disposal facilities in accordance with environmental laws and regulations. We could become liable under various federal, state and local laws and regulations for environmental contamination at off-site facilities where our waste has been disposed of, regardless of whether the waste was disposed of in compliance with environmental requirements.

Environmental and safety requirements may become stricter or be interpreted and applied more strictly in the future. In addition, we may be required to indemnify other parties for adverse environmental conditions that are now unknown to us. These future changes or interpretations, or the indemnification for such adverse environmental conditions, could result in environmental compliance or remediation costs not anticipated by us, which could have a material adverse effect on our business, financial condition or results of operations.

***We may encounter substantial competition in our efforts to expand our operations.***

A key element of our growth strategy is to continue to expand by opening new rental branches. The success of our growth strategy depends in part on identifying sites for new branches at attractive prices. Zoning restrictions often prevent us from being able to open new branches at sites we have identified. We may also encounter substantial competition in our efforts to acquire new sites or in any efforts we may make to acquire other equipment rental companies, which may limit the number of acquisition opportunities and lead to higher acquisition costs. We may not have the financial resources necessary to open any new branches or complete any acquisitions in the future or the ability to obtain the necessary funds on satisfactory terms or at all.

In the past when we have opened new branches, we have attracted talented salespeople who have terminated their employment with other rental companies to work for us. It has become industry practice for equipment rental companies to seek non-competition agreements when they hire salespeople. This practice may hinder our ability to attract talented salespeople to work at new branches, which could prevent us from opening new branches at sites we have identified or result in our failure to realize the expected benefits from any new branch we open.

***We are controlled by one shareholder. His interests may conflict with the interests of the holders of our notes.***

Don F. Ahern, our President, Chief Executive Officer and majority shareholder, beneficially owns 97% of our outstanding common stock; his brother, John Paul Ahern, Jr., owns the remaining 3% of our outstanding common stock. As a result, Don F. Ahern controls the outcome of matters submitted to a shareholder vote. Circumstances may occur in which the interests of Don F. Ahern, as our majority shareholder, could conflict with the interests of our noteholders and other creditors. We are also party to a number of lease and other transactions involving entities controlled by Mr. Ahern. See Note 2 to our financial statements included in this report.

***We purchase a significant amount of our equipment from a small number of manufacturers. Termination of our relationship with any of those manufacturers could have a material adverse effect on our business because we may be unable to obtain adequate rental and sales equipment from other sources in a timely manner or at all.***

We purchase most of our rental and sales equipment from a small number of original equipment manufacturers. For example, we acquired from JLG Industries, Inc. more than 27% of all rental equipment we purchased in 2007. Although we believe we have alternative sources of supply for the rental and sales equipment we purchase in each of our principal product categories, termination of our relationship with any of these major suppliers could have a material adverse effect on our business, financial condition or results of operations if we were unable to obtain adequate rental and sales equipment from other sources in a timely manner or at all.

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

The market value of any piece of rental equipment could be less than its depreciated value at the time it is sold, in which case, that sale would result in a loss. 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;
- the time of year that it is sold (generally prices are higher during the construction season);
- worldwide and domestic demand for used equipment; and
- general economic conditions.

***Fluctuations in fuel costs or reduced supplies of fuel could harm our business.***

One of our competitive advantages is the mobility of our fleet. We could be adversely affected by limitations on fuel supplies or increases in fuel prices that result in higher costs of transporting equipment from one branch to another branch.

[Table of Contents](#)

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

<u>Exhibit No.</u>	<u>Description</u>
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002



I, Don F. Ahern, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ahern Rentals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2008

/s/ Don F. Ahern  
Don F. Ahern  
Chief Executive Officer

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I, Howard L. Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ahern Rentals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2008

/s/ Howard L. Brown  
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Howard L. Brown  
Chief Financial Officer

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Don F. Ahern, Chief Executive Officer, in connection with the Quarterly Report on Form 10-Q of Ahern Rentals, Inc. for the quarterly period ended September 30, 2008 (the "Report"), hereby certify in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ahern Rentals, Inc.

/s/ Don F. Ahern

Don F. Ahern  
Chief Executive Officer

Dated: November 13, 2008

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Howard L. Brown, Chief Financial Officer, in connection with the Quarterly Report on Form 10-Q of Ahern Rentals, Inc. for the quarterly period ended September 30, 2008 (the "Report"), hereby certify in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ahern Rentals, Inc.

/s/ Howard L. Brown

Howard L. Brown  
Chief Financial Officer

Dated: November 13, 2008

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