INVESTOR PRESENTATION

First Quarter 2011

NASDAQ: HEES

Management Presenters

John M. Engquist
President,
Chief Executive Officer

John M. Engquist has served as President, Chief Executive Officer and Director of the Company since its formation in September 2005. He had served as President, Chief Executive Officer and Director of H&E LLC from its formation in 2002 until its merger with and into the Company in February 2006. He served as President and Chief Executive Officer of Head & Engquist Equipment, LLC ("Head and Engquist") from 1990 and Director of Gulf Wide Industries, LLC ("Gulf Wide") from 1995, both predecessor companies of H&E LLC. From 1975 to 1990, he held various operational positions at Head & Engquist, starting as a mechanic's helper. Mr. Engquist serves on the Leadership Council of St. Jude Children's Research Hospital in Memphis, Tennessee; as well as on the Board of Directors for Business First Bancshares, Inc. in Baton Rouge, Louisiana. Mr. Engquist owns 50% of the membership interest in Old Towne Development Group, L.L.C., for which Mr. Engquist serves as the chairman of the Board of Managers. Mr. Engquist is a past Board member of Baton Rouge Business Bank and Cajun Constructors, Inc.

Leslie S. Magee
Chief Financial Officer
and Secretary

Leslie S. Magee has served as Chief Financial Officer and Secretary of the Company since its formation in September 2005. Ms. Magee served as Acting Chief Financial Officer of H&E LLC from December 2004 through August 2005, at which time she was appointed Chief Financial Officer and Secretary. She continued as Chief Financial Officer and Secretary until H&E LLC's merger with and into the Company. Previously, Ms. Magee served as Corporate Controller for H&E LLC and Head & Engquist. Prior to joining Head & Engquist in 1995, Ms. Magee spent five years working for Hawthorn, Waymouth & Carroll, L.L.P, an accounting firm based in Baton Rouge, Louisiana. Ms. Magee is a Certified Public Accountant and is a member of the American Institute of Certified Public Accountants and the Louisiana Society of Certified Public Accountants.

Legal Disclaimers

FORWARD-LOOKING INFORMATION

This presentation contains "forward-looking statements" within the meaning of the federal securities laws. Statements about our beliefs and expectations and statements containing the words "may", "could", "would", "should", "believe", "expect", "anticipate", "plan", "estimate", "target", "project", "intend", "foresee" and similar expressions constitute forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following: (1) general economic conditions and construction and industrial activity in the markets where we operate in North America, as well as the depth and duration of the recent macroeconomic downturn related to decreases in construction and industrial activity, and the impact of conditions of the global credit markets and their effect on construction spending activity and the economy in general; (2) relationships with equipment suppliers; (3) increased maintenance and repair costs as we age our fleet, and decreases in our equipment's residual value; (4) our indebtedness; (5) the risks associated with the expansion of our business; (6) our possible inability to effectively integrate any businesses we acquire; (7) competitive pressures; (8) compliance with laws and regulations, including those relating to environmental matters and corporate governance matters; and (9) other factors discussed in our public filings, including the risk factors included in the Company's most recent Annual Report on Form 10-K. Investors, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the SEC, we are under no obligation to publicly update or revise any forward-looking statements after the date of this presentation.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain Non-GAAP measures (EBITDA, Adjusted EBITDA and free cash flow). Please refer to Appendix A of this presentation for a description of our use of these measures. These Non-GAAP measures, as calculated by the Company, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these Non-GAAP measures are not a measurement of financial performance or liquidity under GAAP and should not be considered an alternative to the Company's other financial information determined under GAAP. See Appendix A for a reconciliation of these Non-GAAP measures.

COMPANY OVERVIEW

Investment Highlights

Integrated Business Model	By providing equipment rental, sales, and on-site parts, repair and maintenance functions under one roof, the Company is a one-stop provider for its customers' varied equipment needs.
Geographic Diversity	67 full-service locations in 24 U.S. States. Significant presence in Gulf Coast and Intermountain Regions; also serve Mid-Atlantic, Southeast, Southwest and West Coast.
Specialized Fleet Focus	Focus on non-residential heavy construction and industrial equipment. Significant exposure to petrochemical, oil patch, mining industries.
Well Maintained Young Fleet	Fleet age at March 31, 2011, was 43.2 months; industry average near 53 months. Fleet is well maintained to maximize equipment life.
Strong Balance Sheet	Protected balance sheet through economic downturn. Focused on asset management and debt reduction. Eliminated $76.3 million of debt under revolving credit facility during late 2009.
Flexible Capital Structure with Abundant Liquidity	Leverage was 2.7x at March 31, 2011 (on net debt and adjusted EBITDA[1]) . $313.0 million available, net of $7 million of letters of credit, at March 31, 2011 under $320 million credit facility, maturities well into future.
Cash Flow Profile	Counter cyclical free cash flow generation. Generated > $100 million of free cash flow[1] in 2009.

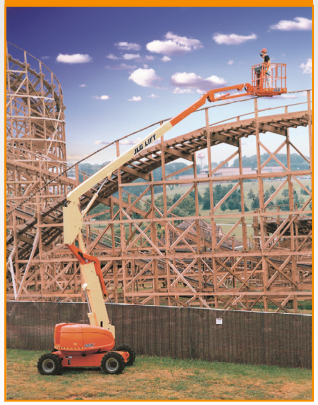
[1]See Appendix A for a reconciliation of Non-GAAP measures.

H&E Equipment Services, Inc.

H&E Equipment Services - Snapshot

- Leading integrated equipment services company with $594 million of LTM (March 31, 2011) revenue.
- Formed in 2002 through the merger of H&E and ICM – 50 years of operating history.
- Focused on heavy construction and industrial equipment and rents, sells and provides parts and service support for four core categories of specialized equipment:

Hi-lift or Aerial Platform Equipment



Cranes

Earthmoving Equipment

Industrial Lift Trucks

- Integrated, full-service approach provides the Company with multiple points of customer contact, enabling it to maintain a high quality rental fleet, as well as an effective distribution channel for fleet disposal and provides cross-selling opportunities among its new and used equipment sales, rental, parts sales and service operations.
- $699.7 million of rental fleet (original acquisition cost at March 31, 2011).
- Well diversified customer base.
- Highly experienced management team; more than 1,600 employees.

A Winning Business Model

Traditional Distribution Model

- New Equipment Sales
- Used Equipment Sales
- Parts & Service

Traditional Rental Model

- Rental Equipment

H&E Integrated Equipment Services Model

- New Equipment Sales
- Used Equipment Sales
- Parts & Service
- Rental Equipment

Key Advantages:

- Mix of business activities enables effective operation through economic cycles.
- Cross-selling opportunities among our rental, new and used equipment sales, parts sales and services operations.
- High-margin parts and service operations.
- Multiple points of contact with the customer.
- Difficult to replicate infrastructure and improved purchasing power.

Business Strategy

Leverage Integrated Business Model

- Provide our customers with a "one-stop" solution to our customers varied equipment needs and cross-sell our services to expand and deepen our customer relationships.

Manage Rental Equipment Life Cycle

- Actively manage the size, quality, age and composition of our rental fleet employing a "cradle through the grave" approach which allows us to purchase our rental equipment at competitive prices, optimally utilize our fleet, cost-effectively maintain our equipment quality and maximize equipment value.

Grow Parts and Service Operations

- Our parts and service operations are keystones of our integrated equipment services platform and provide a relatively stable high-margin revenue source.
- This business helps us develop strong, on-going customer relationships, attract new customers and maintain a high-quality rental fleet.

Enter Carefully Selected New Markets

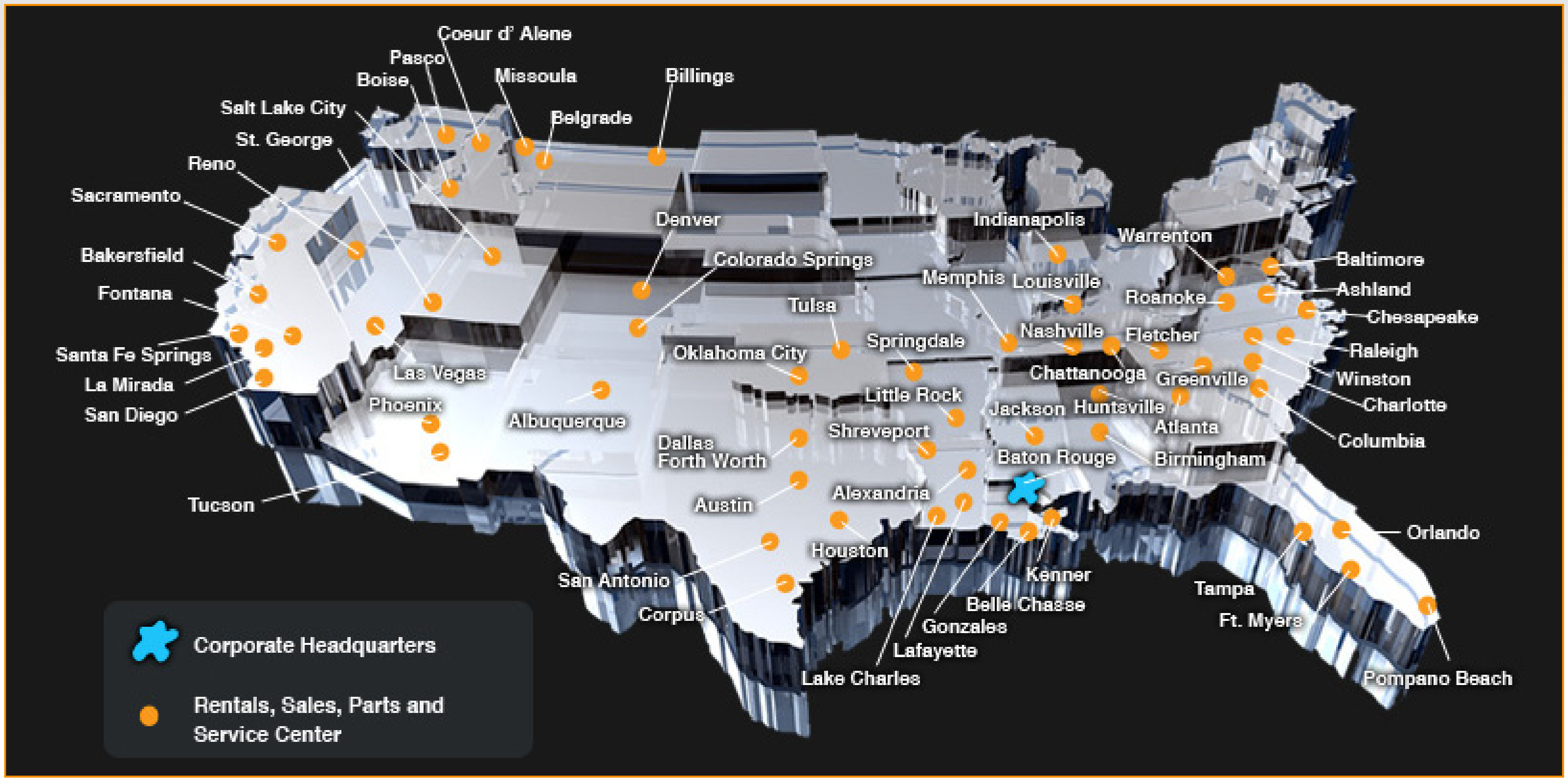
- Intend to continue our strategy of selectively expanding our network to solidify our presence in attractive and contiguous regions where we operate.
- In 2009, opened branch facilities in Sacramento, Nashville and Baltimore; In 2010, opened new branch facilities in Indianapolis, Louisville, Pasco (WA), Huntsville and Chattanooga.

Make Selective Acquisitions

- Equipment industry is fragmented and includes a large number of relatively small, independent businesses serving discrete local markets.
- Intend to continue to evaluate and pursue acquisitions on an opportunistic basis.

Footprint Provides Geographic Diversity

- **Geographic diversity and focus on industrial and commercial construction benefits Company.**
  - **Demand remains stronger in Gulf Coast markets due to strong ties to petrochemical and oil and gas industries; region accounts for half of our LTM revenue and gross profit.**
  - **Intermountain region benefitting from increased mining and oil patch activity due to solid commodity prices.**
  - **Customers in remaining regions are less industrial, more non-residential construction focused.**



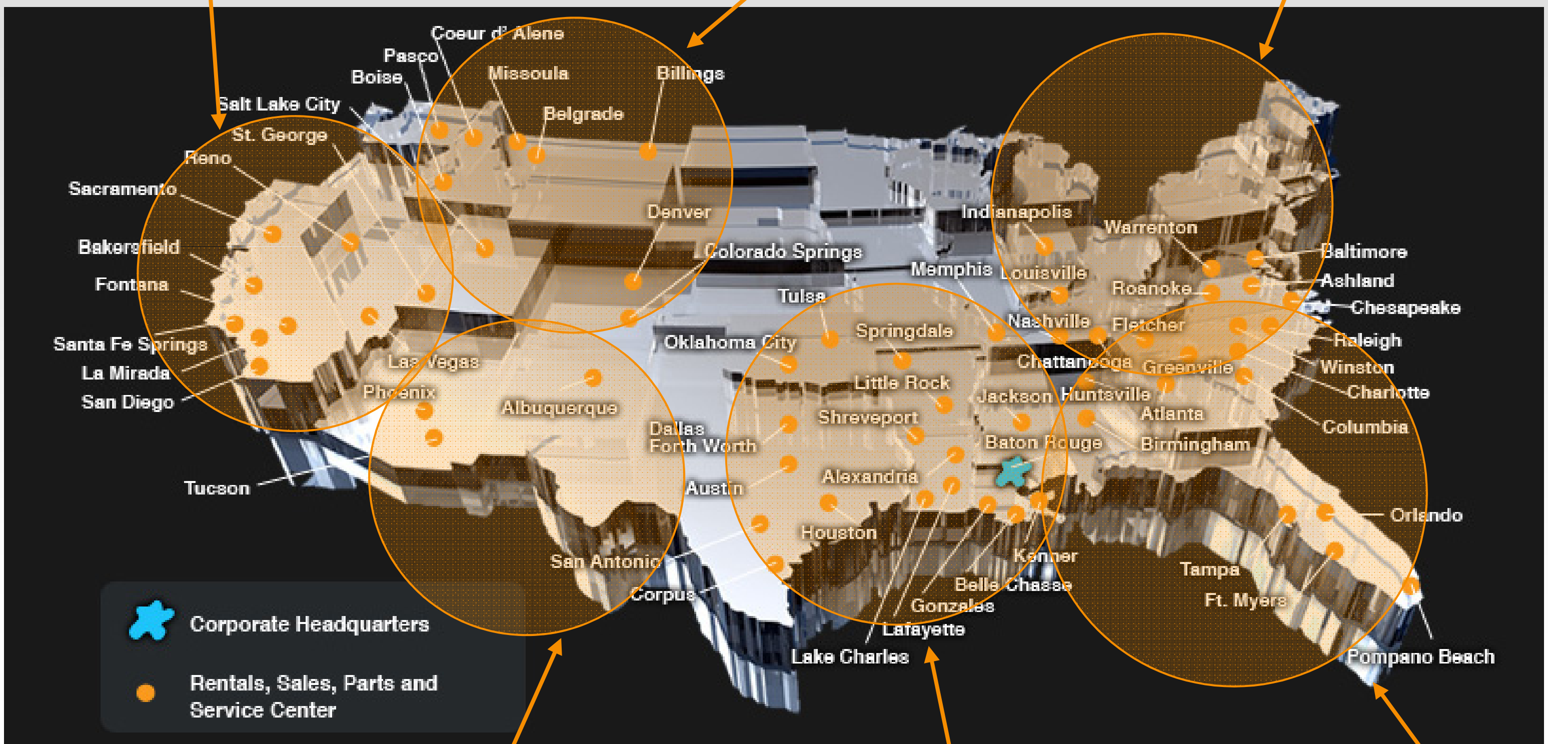
EQUIPMENT SERVICES, INC.

LTM Revenue and Gross Profit By Region

West Coast
8% Revenue-9% Gross Profit
9 Branches

Intermountain
14% Revenue-16% Gross Profit
9 Branches

Mid-Atlantic
11% Revenue-9% Gross Profit
15 Branches



Southwest
6% Revenue-4% Gross Profit
3 Branches

Gulf Coast
54% Revenue-56% Gross Profit
22 Branches

Southeast
7% Revenue-6% Gross Profit
9 Branches

Note: Revenue and Gross Profit by region as of March 31, 2011.

H&E Equipment Services, Inc.

Current Market Conditions

Market Negatives:

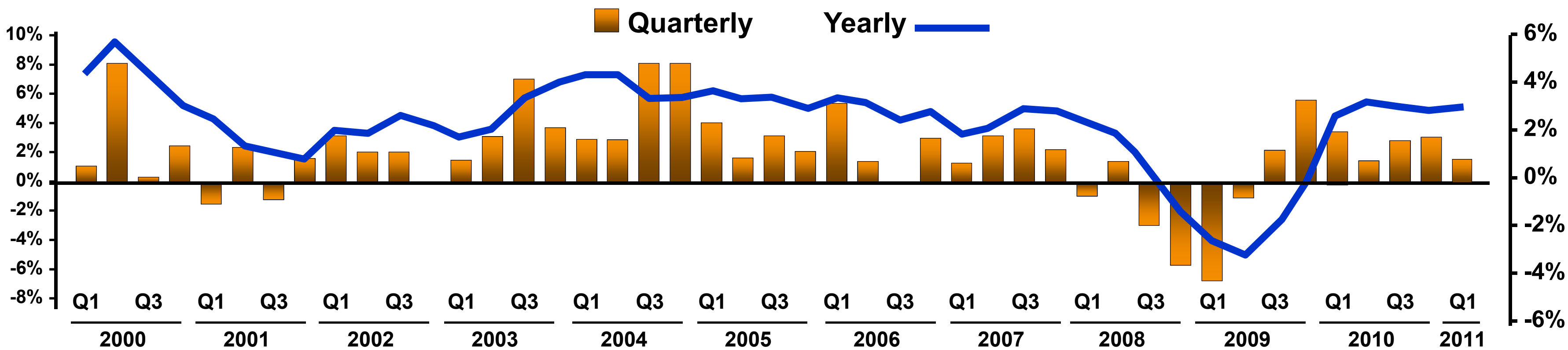
- Market challenges persist despite year-over-year business improvements.
- No material improvements in non-residential construction activity as funding for both projects and equipment purchases remains tight.
- Material recovery in non-residential construction not expected until 2012.
- Visibility is improving, but still limited, especially on distribution side of business.

Market Positives:

- Year-over year results continue to improve.
- Industrial focus and markets remain solid; forecast to grow.
- Demand for rental equipment continues to strengthen.
- Rental rates, utilization improving.
- Demand for early cycle product earthmoving equipment remains strong.
- Pricing for used equipment improving.
- Improvements in parts and service business a positive indicator.
- Economic outlook remains positive.
- March Architectural Billings Index (ABI) was fifth consecutive month above 50.

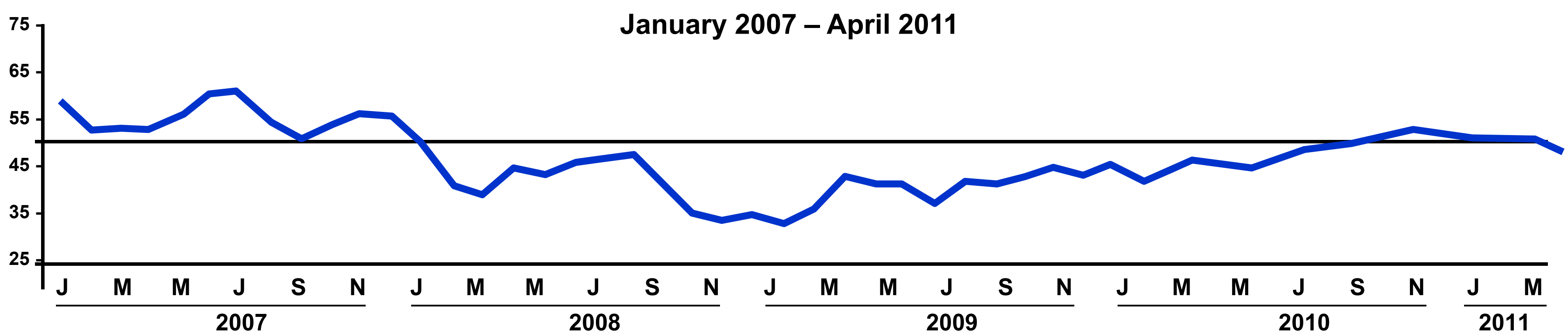
Market Indicators Are Improving

Real GDP Growth



Source: U.S. Census

Architecture Billing Index (ABI)



Source: The American Institute of Architects

Latest market indicators are positive.

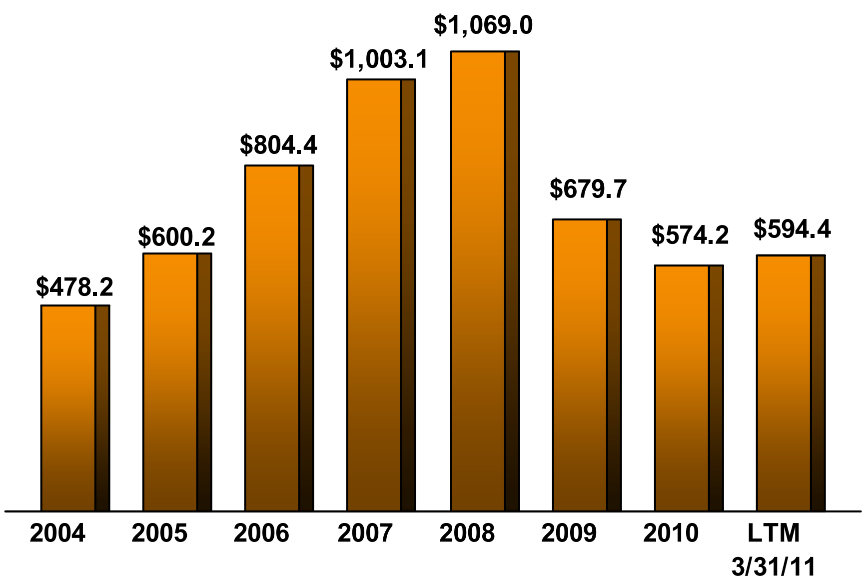
2011 Outlook

- **Encouraged by Q1 performance and current trends, but with visibility still limited in 2011, not providing specific guidance.**
  - **Material recovery in non-residential construction markets not expected until 2012.**
  - **For Q2, expect year-over-year top-line revenue growth to continue, with improvements in other financial measures.**
    - **Expect year-over-year improvements in rental business to continue.**
    - **Expect continued improvement in rates, although pressure remains.**
    - **Expect year-over-year gains in the distribution side of our business in Q2, but visibility in back half of 2011 is still limited.**
  - **Expect continued fleet investment.**
  - **Losses expected to continue to moderate on a year-over-year comparison.**
- **Strong balance sheet and solid capital structure with maturities well into future.**
- **Strong balance sheet provides flexibility to take advantage of improved market conditions and opportunities.**

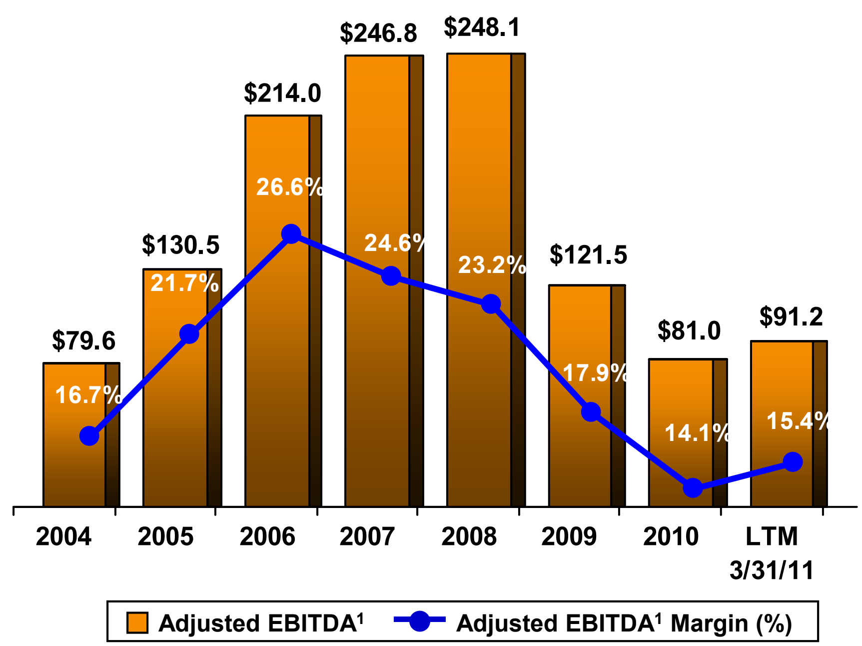
FINANCIAL OVERVIEW

Demonstrated Financial Performance

Revenues ($MM)



Adjusted EBITDA[1] ($MM)

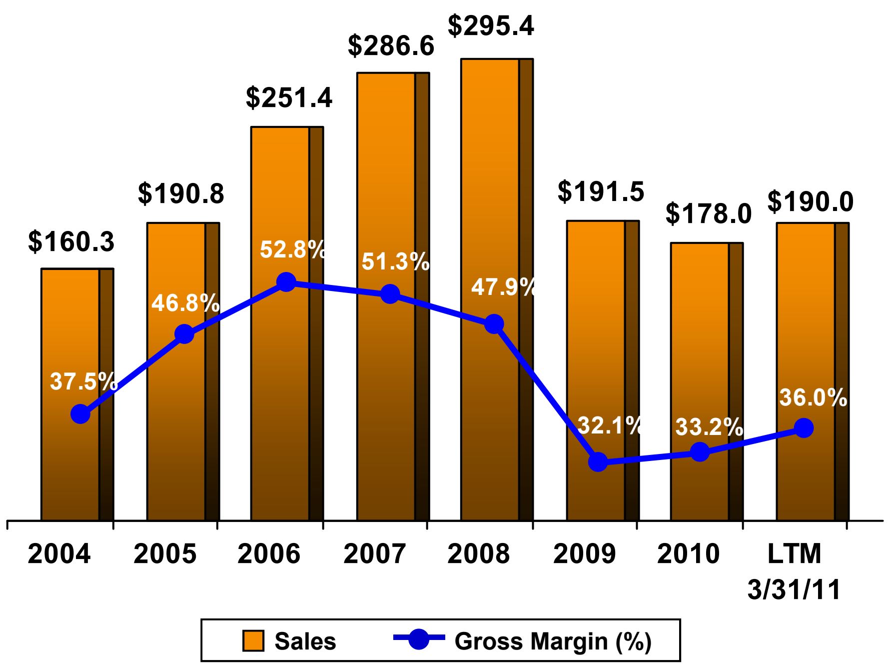


Results include operating results of acquisitions from the effective date of the acquisitions made in February 2006 and September 2007.

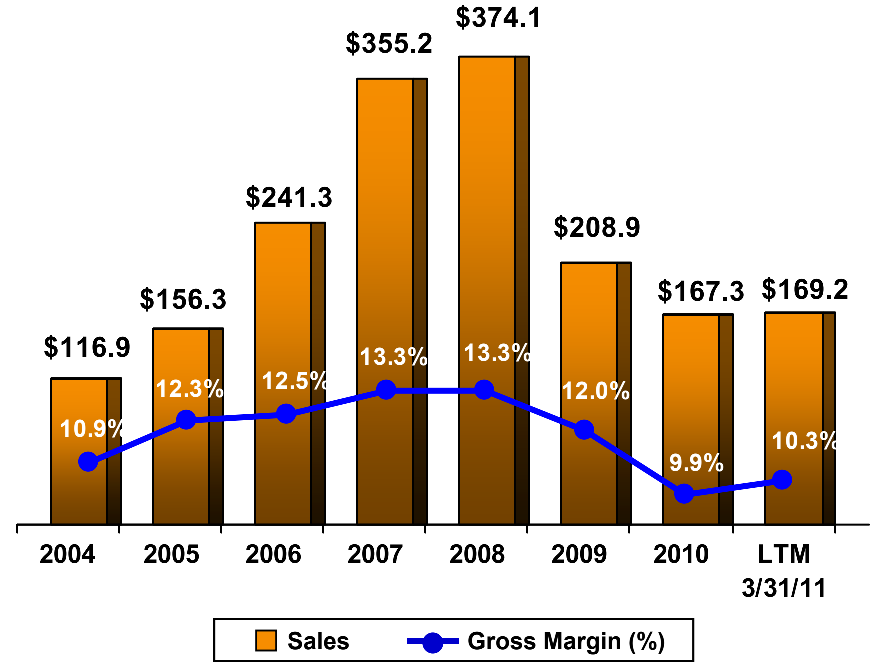
1 See reconciliations of non-GAAP measures and adjustments in Appendix A. Adjusted EBITDA calculated as EBITDA adjusted for non-recurring items in years 2006, 2007, 2008 and 2009 as described in Appendix A.

Summary Financial Performance by Segment

Equipment Rentals ($MM)



New Equipment Sales ($MM)



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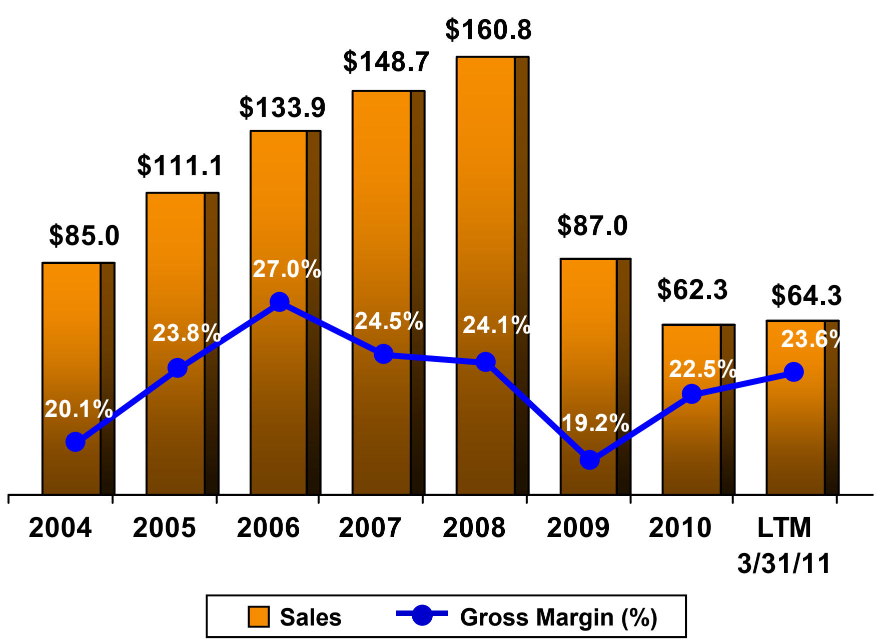
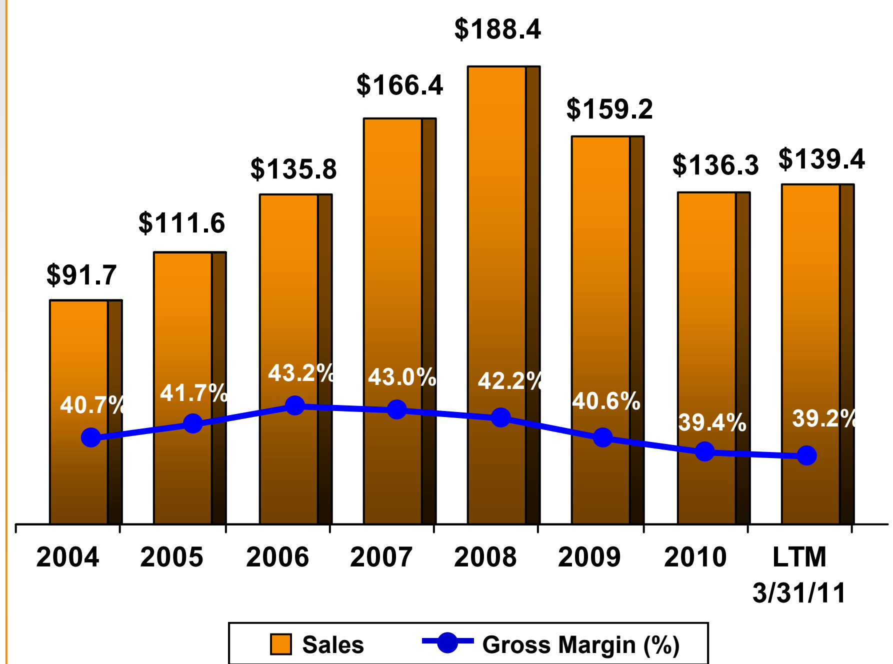
Summary Financial Performance by Segment

Used Equipment Sales ($MM)



Parts and Service[1] ($MM)



[1] Shows Parts and Service segments combined.

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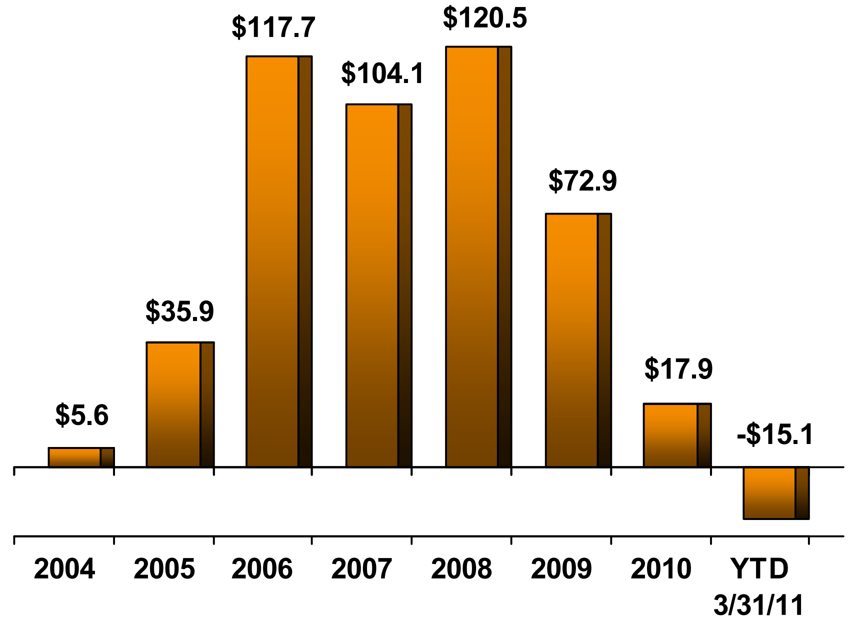
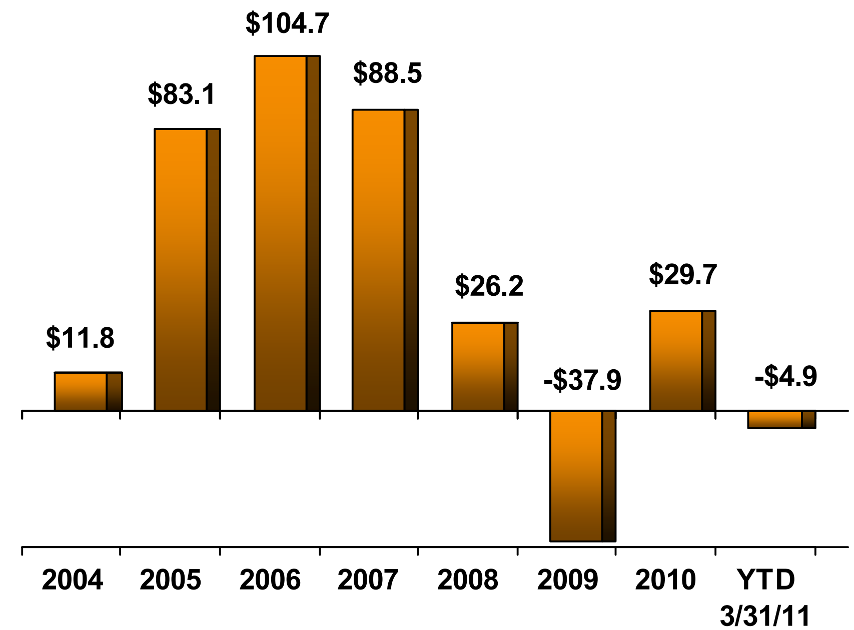
Free Cash Flow Profile

Cash Flow From Operations



Net Investment[1]

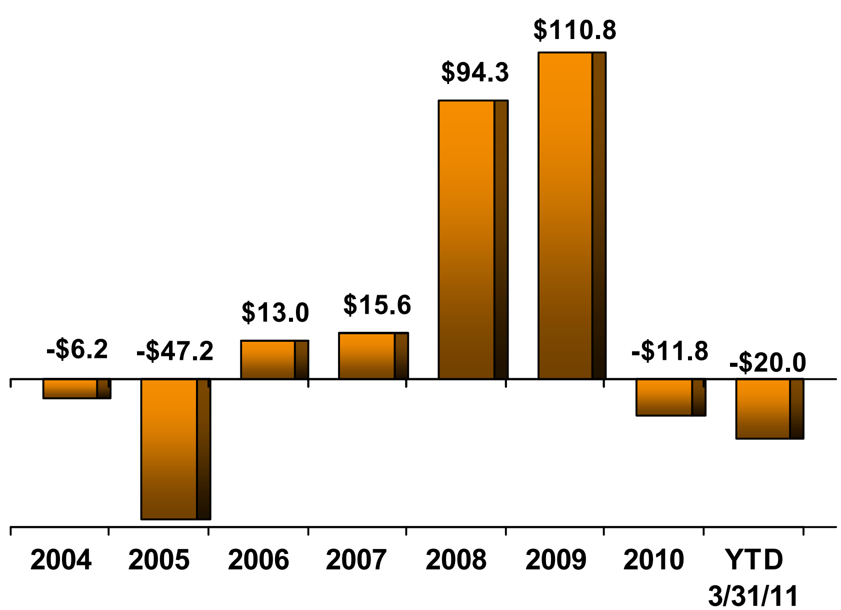


1 Net investment is defined as purchases of rental equipment and property and equipment less the proceeds from sale of rental equipment and property and equipment. Net investment does not include non-cash transfers of inventory to the rental fleet. These amounts are included in cash flow from operating activities consistent with statement of cash flows. Does not include cash used in business acquisition related investments of $57.0 million in 2006, $100.2 million in 2007 and $10.5 million in 2008. Also excludes $30.3 million in purchases of equipment in 2006 previously held under operating lease and purchased with use of IPO proceeds.

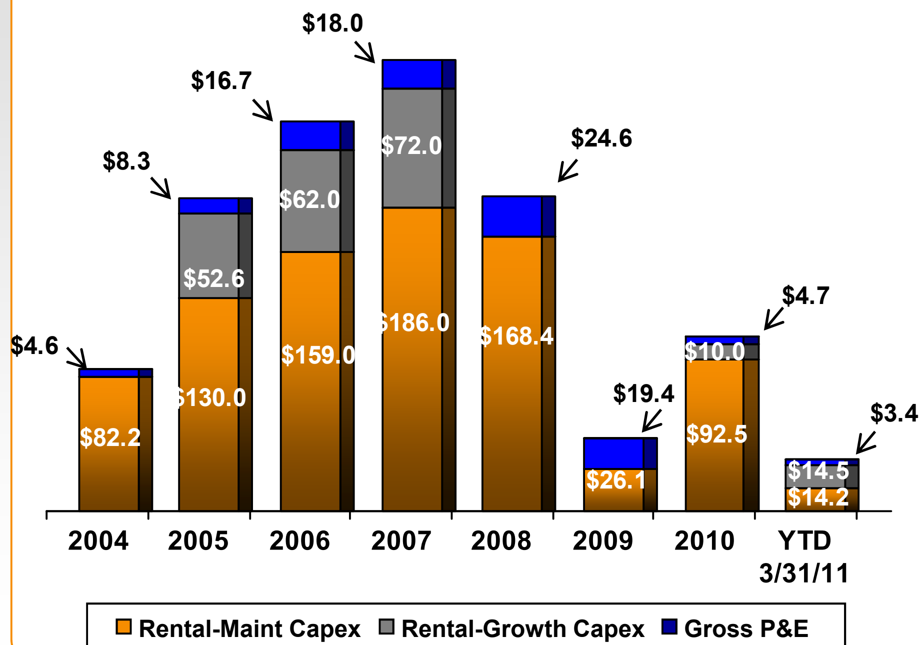
H&E Equipment Services, Inc.

Free Cash Flow Profile

Free Cash Flow[1]



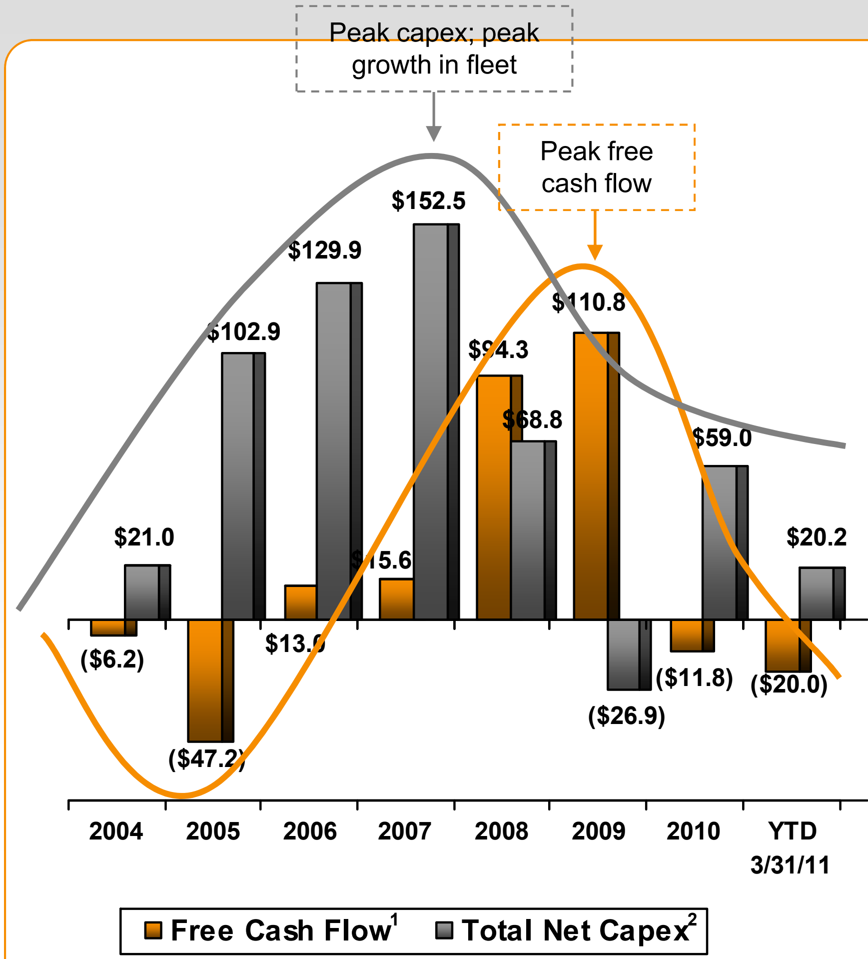
Gross Investment[2]



1 Free cash flow defined as net cash provided by operations less net investment as in footnote 1 on slide 18. See Appendix A for non-GAAP measures and reconciliations.

2 Gross investment defined as gross purchases of rental equipment (includes non-cash transfers from inventory) and property and equipment. Rental maintenance capex is defined as investment required to replace the original equipment cost of rental equipment sold during the period. Rental growth capex is defined as investment in growth of the original equipment cost of rental equipment during the period. Amounts exclude $30.3 million in purchases of equipment in 2006 previously held under operating leases and purchased with use of IPO proceeds.

Cash Flow Generation - Counter Cyclical



Managing Cash Through The Cycle

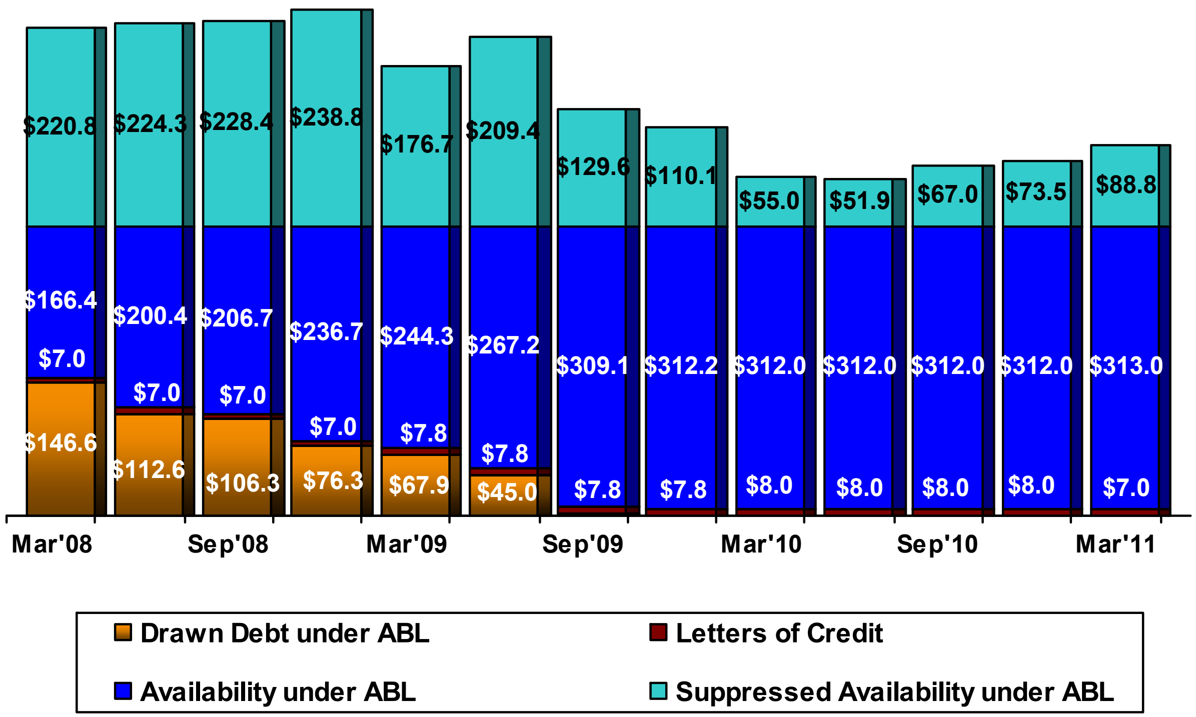
- **Reinvesting in our rental fleet with increased demand.**
  - **Fleet increased $39.7 million since last year, and $14.6 million from the beginning of the year.**
  - **Negative rental capex in 2009.**
  - **Eliminated rental growth capex in 2008.**
  - **Continued to reduce inventories and fleet during 2009.**
  - **Young fleet particularly when considering fleet mix and industry average.**

1 Free cash flow defined as net cash provided by operations less net investment as in footnote 1 on slide 18. See Appendix A for non-GAAP measures and reconciliations.

2 Total Net Capex is defined as gross investment (see Slide 19; footnote 2) less proceeds from the sale of rental equipment and property and equipment.

Abundant Liquidity/Extended Maturity of ABL

Components of Asset-Backed Loan (ABL) Credit Facility

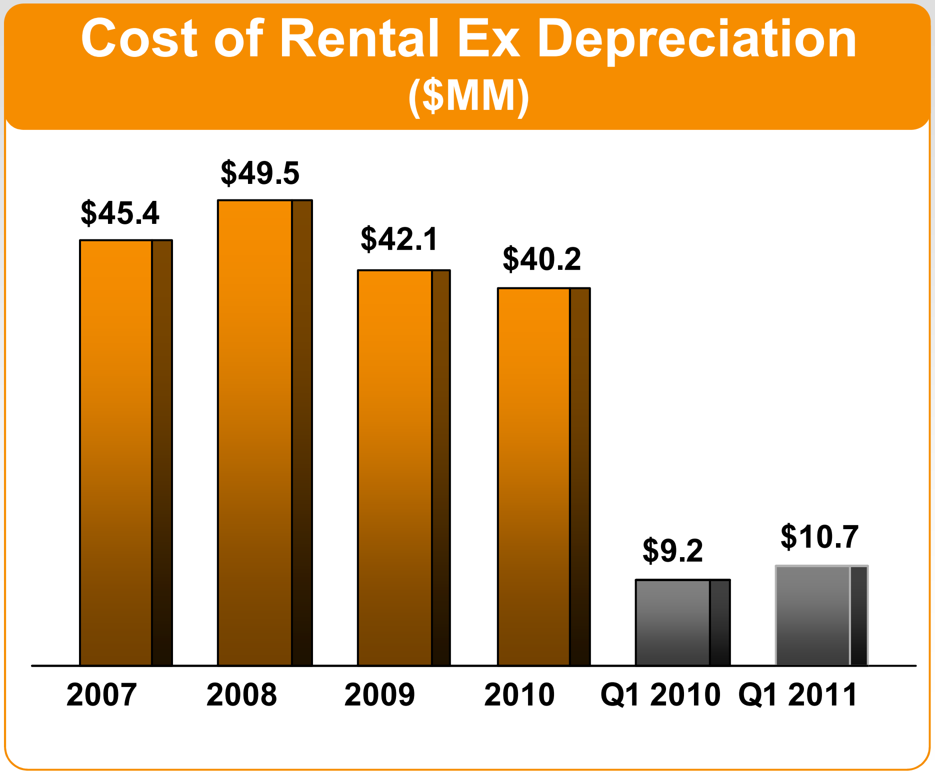


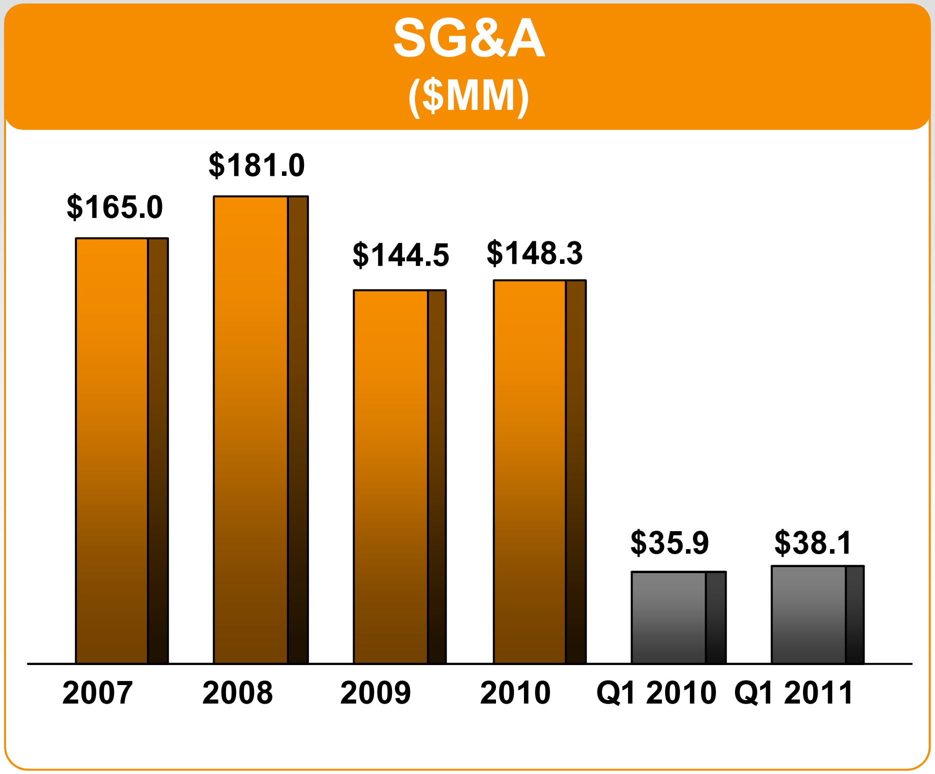
ABL Credit Facility:

- **Ample liquidity under ABL facility.**
  - $0 drawn under ABL at March 31, 2011.
  - Suppressed availability (supporting asset value in excess of facility size) under ABL borrowing base certificate was $88.8 million at March 31, 2011.
  - Reduced debt by $76.3 million in 2009.
- **Maturity is July 2015 (extended and amended July 2010).**

EQUIPMENT SERVICES, INC.

Cost Structure





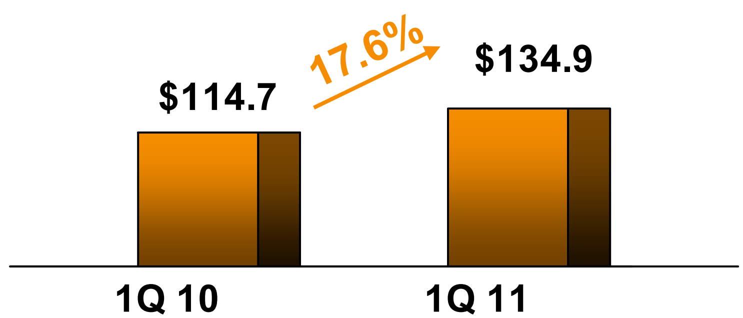
- **Cost of rental (ex depreciation) was 22.2% of rental revenues in Q1 2011 compared to 25.4% in Q1 2010.**
- **SG&A decreased to 28.2% of total revenues in Q1 2011 compared to 31.3% in Q1 2010.**

Q1 2011 Summary

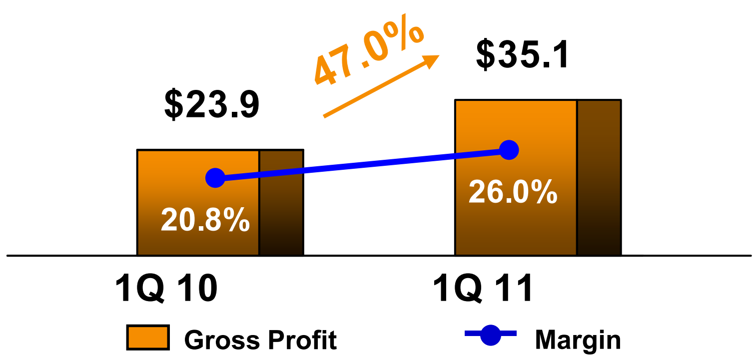
First Quarter	▶ Solid performance despite seasonality challenges. ▶ Significant year-over-year improvements. ▶ Rental business continues to gain momentum.
Revenue	▶ Revenue increased 17.6% to $134.9 million vs. Q1 2010. ▶ Revenue in all segments increased year-over-year, with increases led by rentals.
EBITDA	▶ EBITDA increased 93.6% to $21.3 million (15.8% margin) vs. Q1 2010 EBITDA of $11.0 million (9.6% margin).
Net Loss	▶ Net loss was $6.5 million compared to net loss of $12.1 million in Q1 2010; loss per share was ($0.19) versus ($0.35).
Improved Fleet Utilization	▶ Time utilization (based on units) was 61.0%, versus 49.7% in Q1 2010 and 62.7% in Q4 2010. ▶ Time utilization (based on OEC) was 64.9%, versus 51.2% in Q1 2010 and 67.0% in Q4 2010.
Rental Business Posted Y-O-Y Gains	▶ 33.0% improvement in rental revenue. ▶ 116.7% gain in rental gross profit. ▶ Rental gross margins increased to 35.4% versus 21.7%. ▶ Dollar utilization increased to 27.9% versus 22.0%.

Q1 2011 Revenues and Gross Profit

Revenues ($MM)



Gross Profit ($MM)



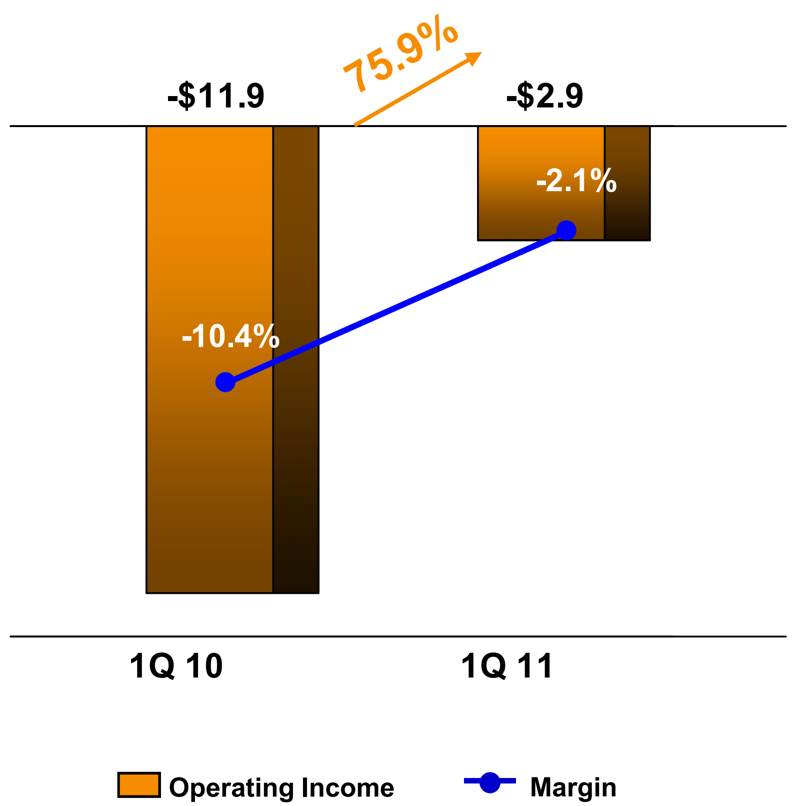
Key Takeaways

- **Revenues increased 17.6%.**
- **All segments increased year-over-year for the first time in three years.**
  - Rentals increased 33.0%.
    - Primarily driven by higher aerial and earthmoving rentals.
  - Used equipment sales increased 14.8%.
  - Parts and service increased 10.0% on a combined basis.
  - New equipment sales increased 6.9%.
- **Gross profit increased 47.0%.**
  - Gross margin increased to 26.0% vs. 20.8%.
    - Margin expansion primarily due to:
      - Improved profitability in rental segment.
        - Rental margins were 35.4% vs. 21.7%.
        - Time utilization (units) increased 1,130 bps.
        - Lower rental cost of sales relative to comparative revenues.
      - Better margins on new and used equipment sales.

H&E Equipment Services, Inc.

Q1 2011 Loss From Operations

Loss From Operations
($MM)



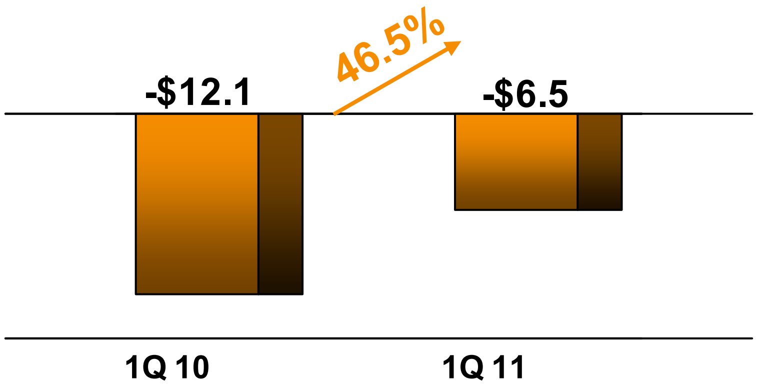
Key Takeaways

- **Loss from operations was $2.9 million compared to a loss from operations of $11.9 million a year ago. Improvement of 75.9%.**
  - **-2.1% margin versus -10.4% margin.**
  - **Grew revenues faster than costs.**
    - **1Q 11 vs 1Q 10:**
      - **Revenues increased 17.6%.**
      - **Gross profit increased 47.0%.**
      - **SG&A increased 6.2%.**

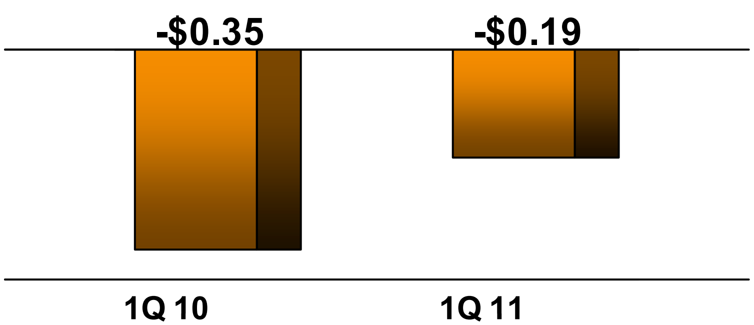
EQUIPMENT SERVICES, INC.

Q1 2011 Net Loss

Net Loss ($MM)



Net Loss Per Share



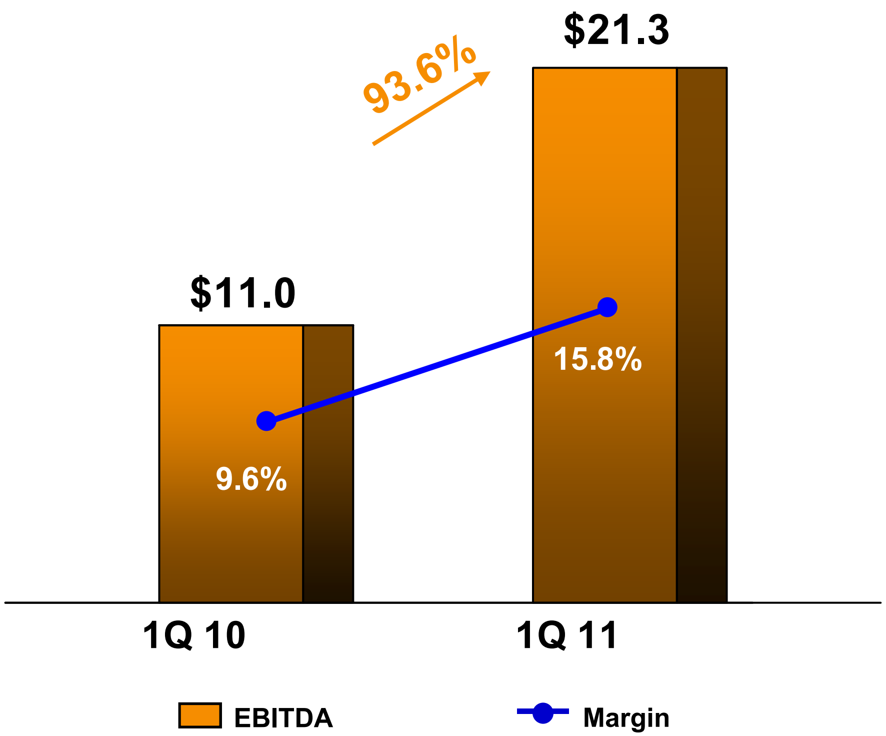
Key Takeaways

- **Net loss of $6.5 million vs. net loss of $12.1 million in 1Q 10.**
  - Effective tax rate was 33.7% in 1Q 11 vs. 37.0% in 1Q 10.
- **Diluted net loss per share was $(0.19) vs. net loss per share of $(0.35) a year ago.**
  - Diluted weighted average share count of 34.7 million vs. 34.6 million a year ago.

H&E Equipment Services, Inc.

Q1 2011 EBITDA

EBITDA ($MM)



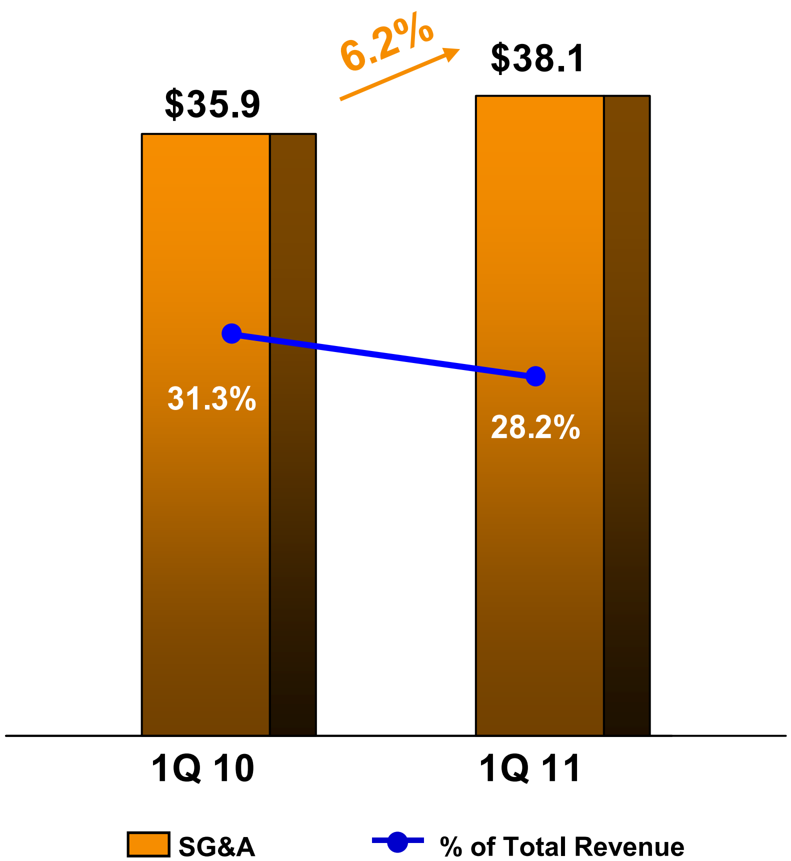
Key Takeaways

- **EBITDA nearly doubled.**
  - Results were $21.3 million, or a 93.6% increase over EBITDA of $11.0 million a year ago.
  - Strong operating leverage.
- **EBITDA margin was 15.8% compared to 9.6%.**
  - Higher gross margins.
    - See slide 24 for discussion on gross margins.
  - Lower SG&A relative to comparative revenues.
    - See slide 28 for discussion on SG&A.

H&E EQUIPMENT SERVICES, INC.

Q1 2011 SG&A Expense

SG&A ($MM)



Key Takeaways

- **$2.2 million, or 6.2%, increase.**
  - **SG&A as a percentage of revenue was 28.2% compared to 31.3% in 1Q 10 primarily as a result of higher revenues.**
    - **Increased wages/taxes/benefits of approximately $2.9 million due to:**
      - **Higher commission/incentive pay on higher revenues.**
      - **Increased headcount and related benefit costs.**
    - **Partially offsetting declines in other SG&A categories.**

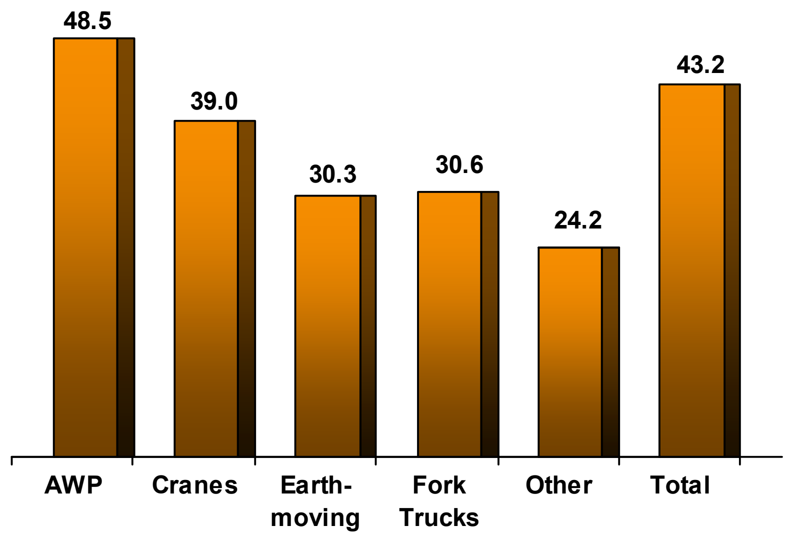
H&E Equipment Services, Inc.

2011 Fleet Update

Rental Cap-Ex Summary
($MM)

	2007	2008	2009	2010	YTD 2011
Gross Rental CapEx[1]	$ 258.1	$ 168.4	$ 26.1	$ 102.5	$ 28.8
Sale of Rental Equipment	$(122.6)	$(123.1)	$ (71.0)	$ (47.6)	$ (11.8)
Net Rental CapEx	$ 135.5	$ 45.3	$ (44.9)	$ 54.9	$ 17.0

Fleet Age by Equipment Type
(months)



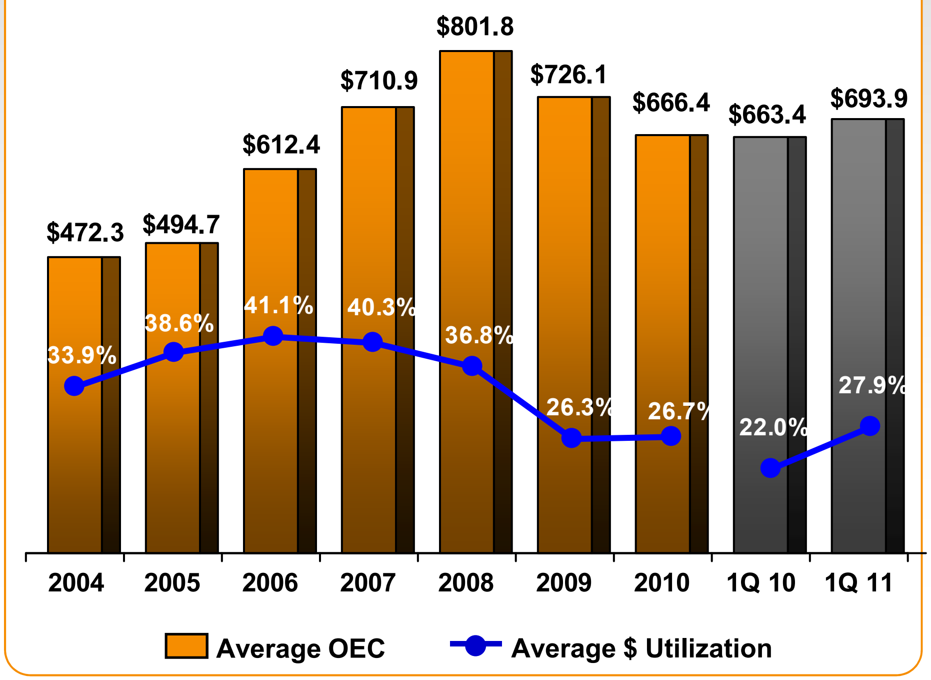
Note: Fleet statistics as of March 31, 2011.

[1] Gross rental cap-ex includes amounts transferred from new and used inventory.

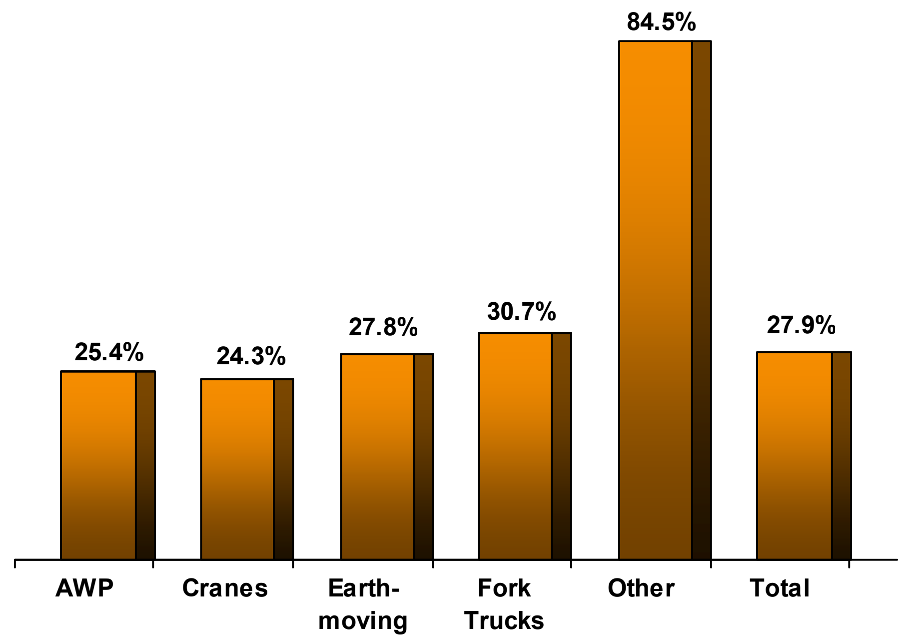
Equipment Services, Inc.

2011 Fleet Update

Rental Fleet Statistics[1] ($MM)



$ Utilization by Equipment Type[1]



Note: Fleet statistics as of March 31, 2011.

1 Represents rental revenues annualized divided by the average original equipment cost.

EQUIPMENT SERVICES, INC.

Current Capital Structure

Current Capital Structure ($MM)

3/31/11		
Cash	$	9.1
Debt:		
Sr. Sec'd Credit Facility (ABL) due 2015		0.0
8.375% Senior Unsecured Notes due 2016		250.0
Capital Lease Payable		2.7
Total Debt	$	252.7
Shareholder's Equity	$	248.1
Total Book Capitalization	$	500.8

Credit Statistics

	12/31/08	12/31/09	12/31/10	LTM 03/31/11
Adj. EBITDA[1] / Total Interest Exp.	6.5x	3.9x	2.8x	3.1x
Total Net Debt [2] / Adj. EBITDA[1]	1.3x	1.7x	2.8x	2.7x
Debt / Total Capitalization	53.3%	47.7%	50.0%	50.5%

1 Excludes the impact of the fourth quarter 2008 and 2009 non-cash asset impairment charges of $22.7 million and $9.0 million, respectively. See Appendix A for a reconciliation of Non-GAAP measures.

2 Net debt is defined as total debt less cash on hand.

H&E Equipment Services, Inc.

Current Capital Structure

Current Ratings

Moody's:

(Ratings AFFIRMED; Outlook REVISED Mar '11)

- Outlook = revised to stable
- Corporate Family Rating = B1
- Senior Unsecured Notes = B3

S&P:

(AFFIRMED Jan '11)

- Outlook = Stable
- Credit Rating = BB-
- Senior Unsecured Notes = BB-

Amended and Restated Sr. Secured Credit Facility (ABL) Financial Covenants[1]

- Total facility size of $320 million.
- 5 year agreement, maturing July 2015.
- Covenants spring only if excess availability is < $40 million.

- Springing Minimum Fixed Charge Coverage Ratio >= 1.1 to 1.0.
- Springing Maximum Total Leverage Ratio <= 5.0 to 1.0.
- $313 million of availability, net of $7 million of letters of credit, at March 31st.

[1] Other exceptions exist in the credit agreement including, among other things, certain requirements, restrictions and negative covenants.

Appendix A-Unaudited Reconciliation of Non-GAAP Financial Measures

Unaudited Reconciliation of Non-GAAP Financial Measures

We define EBITDA as net income (loss) before interest expense, income taxes, depreciation and amortization. We define Adjusted EBITDA for the periods presented as EBITDA adjusted for: (1) the $9.0 million goodwill impairment charge recorded in 2009; (2) the $22.7 million impairment of goodwill and intangible assets recorded in 2008; (3) the $0.3 million loss and $40.8 million loss on the early extinguishment of debt in connection with our refinancing recorded in 2007 and 2006, respectively; and (4) the $8.0 million fee paid for the termination of a management services agreement in connection with our Initial Public Offering in 2006.

We use EBITDA and Adjusted EBITDA in our business operations to, among other things, evaluate the performance of our business, develop budgets and measure our performance against those budgets. We also believe that analysts and investors use EBITDA and Adjusted EBITDA as supplemental measures to evaluate a company's overall operating performance. However, EBITDA and Adjusted EBITDA have material limitations as analytical tools and you should not consider them in isolation, or as substitutes for analysis of our results as reported under GAAP. We consider them useful tools to assist us in evaluating performance because they eliminate items related to capital structure, taxes and non-cash charges. The items that we have eliminated in determining EBITDA are interest expense, income taxes, depreciation of fixed assets (which includes rental equipment and property and equipment) and amortization of intangible assets and, in the case of Adjusted EBITDA, any goodwill and intangible asset impairment charges and the other items described above applicable to the particular period. However, some of these eliminated items are significant to our business. For example, (i) interest expense is a necessary element of our costs and ability to generate revenue because we incur a significant amount of interest expense related to our outstanding indebtedness; (ii) payment of income taxes is a necessary element of our costs; and (iii) depreciation is a necessary element of our costs and ability to generate revenue because rental equipment is the single largest component of our total assets and we recognize a significant amount of depreciation expense over the estimated useful life of this equipment. Any measure that eliminates components of our capital structure and costs associated with carrying significant amounts of fixed assets on our balance sheet has material limitations as a performance measure. In light of the foregoing limitations, we do not rely solely on EBITDA and Adjusted EBITDA as performance measures and also consider our GAAP results. EBITDA and Adjusted EBITDA are not measurements of our financial performance under GAAP and should not be considered alternatives to net income, operating income or any other measures derived in accordance with GAAP. Because EBITDA and Adjusted EBITDA are not calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies.

We define "free cash flow" as net cash provided by/used in operating activities less purchases of rental equipment and property and equipment plus proceeds from the sales of rental equipment and property and equipment.

We believe free cash flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements. However, free cash flow is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash flow should not be considered an alternative to net income or cash flow from operating activities as indicators of operating performance or liquidity. Because free cash flow may not be calculated in the same manner by all companies, free cash flow may not be comparable to other similarly titled measures used by other companies.

EBITDA and Adjusted EBITDA GAAP Reconciliation

($ in thousands)

	2004	2005	2006	2007	2008	2009	2010	LTM 3/31/2011	1Q10	1Q11
Net income (loss)	$ (13,737)	$ 28,160	$ 32,714	$ 64,626	$ 43,296	$ (11,943)	$ (25,460)	$ (19,855)	$ (12,078)	$ (6,473)
Interest expense	39,856	41,822	37,684	36,771	38,255	31,339	29,076	28,992	7,291	7,207
Provision (benefit) for income taxes	–	673	9,694	40,789	26,101	(6,178)	(14,920)	(11,123)	(7,088)	(3,291)
Depreciation	53,232	59,765	85,077	103,221	115,454	98,702	91,707	92,691	22,711	23,695
Amortization	295	94	46	1,060	2,223	591	559	535	148	124
EBITDA	$ 79,646	$130,514	$165,215	$246,467	$225,329	$112,511	$ 80,962	$ 91,240	$ 10,984	$ 21,262
Loss on early extinguishment of debt[1]	–	–	40,771	320	–	–	–	–	–	–
Management services agreement termination fee[2]	–	–	8,000	–	–	–	–	–	–	–
Impairment of goodwill and intangible asset[3]	–	–	–	–	22,721	8,972	–	–	–	–
Adjusted EBITDA	$ 79,646	$130,514	$213,986	$246,787	$248,050	$121,483	$ 80,962	$ 91,240	$ 10,984	$ 21,262

1 Adjustments relate to a loss on early extinguishment of the Company's Senior Secured and Senior Subordinated Notes.
2 Adjustment relates to $8.0 million of fees paid in connection with the termination of a management services agreement.
3 Adjustment relates to non-cash goodwill and intangible asset impairment charges of $22.7 million in 2008 and non-cash goodwill impairment charges of $9.0 million in 2009.

Free Cash Flow GAAP Reconciliation

($ in thousands)

	2004	2005	2006	2007	2008	2009	2010	YTD 3/31/2011
Cash flows from operating activities	$ 5.6	$ 35.9	$ 117.7	$ 104.1	$ 120.5	$ 72.9	$ 17.9	$ (15.1)
Net Investment (per cash flows from investing activities)								
Purchases of property and equipment	(4.6)	(8.3)	(16.7)	(18.0)	(24.6)	(19.4)	(4.7)	(3.4)
Purchases of rental equipment	(72.9)	(162.8)	(195.7)	(194.1)	(125.9)	(15.1)	(73.2)	(13.4)
Proceeds from sales of property and equipment	0.3	1.0	2.0	1.0	1.2	1.4	0.6	0.1
Proceeds from sales of rental equipment	65.4	87.0	105.7	122.6	123.1	71.0	47.6	11.8
Free cash flow	$ (6.2)	$ (47.2)	$ 13.0	$ 15.6	$ 94.3	$ 110.8	$ (11.8)	$ (20.0)

H&E Equipment Services, Inc.

INVESTOR PRESENTATION

First Quarter 2011

NASDAQ: HEES