
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report: **May 18, 2005**

Date of earliest event reported: **May 18, 2005**

H&E EQUIPMENT SERVICES L.L.C.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Louisiana
(State or other jurisdiction
of incorporation)

333-99589
333-99587
(Commission File Numbers)

72-1287046
(IRS Employer
Identification No.)

11100 Mead Road, Suite 200, Baton Rouge, Louisiana 70816
(Address of Principal Executive Offices, including Zip Code)

(225) 298-5200
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations

On May 18, 2005, we issued a press release announcing our financial results for the first quarter ended March 31, 2005. A copy of the press release is attached as Exhibit 99.1.

The information in this Form 8-K and the attached exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events

A. Delay in Filing Report on Form 10-Q

The Company will delay filing its March 31, 2005 Report on Form 10-Q as described in the press release issued by the company on May 18, 2005. This press release is attached as Exhibit 99.1 to the Report.

B. Non-GAAP Financial Measure

Included in the press release dated May 18, 2005 is a certain non-GAAP financial measure which is not calculated and presented in accordance with Generally Accepted Accounting Principles ("GAAP") within the meaning of applicable SEC rules. We define EBITDA as net income (loss) from continuing operations before interest expense, income taxes, and depreciation and amortization. We use EBITDA in our business operations to, among other things, evaluate the performance of our operating segments, develop budgets and measure our performance against those budgets. We also believe that analysts and investors use EBITDA as a supplemental measure to evaluate a company's overall operating performance. We find it a useful tool to assist us in evaluating performance because it eliminates items related to corporate overhead and capital structure, taxes and other non-cash charges. However, EBITDA which does not represent operating income or net cash provided by operating activities as those items are defined by GAAP, should not be considered by prospective purchasers of securities to be an alternative to operating income or cash flow from operations or indicative of whether cash flows will be sufficient to fund our

future cash requirements. EBITDA is not a complete net cash flow measure or measure of liquidity because EBITDA does not include reductions for cash payments for an entity's obligation to service its debt, fund its working capital, make capital expenditures and acquisitions and pay its income taxes. Rather, it is one potential indicator of an entity's ability to fund these cash requirements. EBITDA is not a measure of profitability because it does not include costs and expenses for depreciation and amortization, interest and related expenses and income taxes. Also, because EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release dated May 18, 2005.

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SIGNATURES

According to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

H&E EQUIPMENT SERVICES L.L.C.

Date: May 18, 2005

/s/ LESLIE S. MAGEE

By: Leslie S. Magee

Its: Acting Chief Financial Officer

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INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by H&E Equipment Services L.L.C. on May 18, 2005 announcing earnings for the quarter ended March 31, 2005.

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FOR IMMEDIATE RELEASE**H&E Equipment Services Reports First Quarter 2005 Results**

BATON ROUGE, LA., May 18, 2005 - H&E Equipment Services L.L.C. (H&E), today announced that first quarter revenues increased \$16.6 million, or 14.8%, from the first quarter of 2004, first quarter gross profit increased \$12.0 million, or 48.4%, from the first quarter of 2004, first quarter net income increased \$10.0 million, or 111.5%, from the first quarter of 2004 and first quarter earnings before interest, taxes, depreciation and amortization (EBITDA) increased \$10.4 million, or 74.0%. John Engquist, President and Chief Executive Officer, said, "Our strong performance in the first quarter reflects significant improvement in revenue and gross profit in each of our business segments. With continued improvement in non-residential construction, the primary driver of our business, and our belief that we will continue to see rental rates improve throughout the remainder of the year, 2005 should be a very strong year for our company."

Results of Operations

First quarter revenues were \$128.6 million compared to \$112.0 million for the first quarter of 2004. First quarter 2005 income from operations was \$11.0 million compared to \$0.9 million last year, an increase of \$10.1 million. The first quarter of 2005 net income was \$1.0 million compared to \$9.0 million net loss for the first quarter of 2004. EBITDA for the first quarter increased \$10.4 million, or 74.0%, to \$24.4 million from \$14.0 million for the first quarter of 2004.

First quarter equipment rental revenues were \$40.6 million compared to \$35.6 million for the first quarter of 2004, reflecting an increase of \$5.0 million, or 14.0%. The overall increase was primarily due to a \$4.5 million increase in aerial work platform equipment rental revenue. At the end of the first quarter of 2005, the original acquisition cost of the rental fleet was \$459.8 million, down \$13.6 million from \$473.4 million at the end of the first quarter of 2004. For the first quarter of 2005, dollar utilization increased to 35.1% from 29.6% for the first quarter of 2004.

First quarter new equipment sales were \$30.3 million compared to \$25.3 million for the first quarter of 2004, reflecting an increase of \$5.0 million, or 19.8%. First quarter used equipment sales were \$25.6 million, representing a \$2.3 million, or 9.9%, increase from \$23.3 million for the first quarter of 2004. New equipment sales increased in aerial work platforms, earthmoving, lift trucks and other new equipment while new crane sales decreased. Used equipment sales increased in cranes, aerial work platforms and earthmoving while lift trucks and other used equipment sales declined in comparison to the first quarter of 2004. Parts sales and service revenues for the first quarter of 2005, collectively, were \$25.6 million, representing a \$3.1 million, or 13.6%, increase compared to \$22.5 million for the first quarter of 2004.

Gross profit for the first quarter of 2005 was \$36.8 million compared to \$24.8 million for the first quarter of 2004, reflecting an increase of \$12.0 million, or 48.4%. First quarter gross profit margin increased to 28.6% from 22.1% for the first quarter of 2004. Gross profit margin improved for equipment rentals, new, used, parts sales and service revenues.

First quarter gross profit from equipment rentals was \$17.0 million compared to \$9.8 million for the same time period last year, reflecting an increase of \$7.2 million, or 73.5%. The increase was primarily a result of \$5.0 million more in rental revenues combined with \$2.1

million less in depreciation, maintenance expense and other rental costs. New equipment sales gross profit for the first quarter of 2005 increased to \$3.8 million from \$2.7 million for the first quarter of 2004. Used equipment sales gross profit for the first quarter of 2005 increased to \$5.8 million from \$4.4 million for the first quarter of 2004. The improvement in both new and used equipment sales gross profit is a result of increasing demand and extended lead times from manufacturers. Gross profit for parts sales and service revenues for the first quarter of 2005 was \$10.9 million compared to \$9.2 million for the same time period in 2004 and is primarily a result of the mix of parts sold and increased service billing rates.

Selling, general and administrative expenses for the first quarter of 2005 were \$25.8 million compared to \$24.0 million last year, a \$1.8 million, or 7.5%, increase. The increase was primarily related to higher sales commissions, performance incentives, benefits, and outside services such as audit and legal fees. As a percentage of total revenues, selling, general and administrative expenses for the first quarter of this year decreased to 20.1% for the first quarter of this year from 21.4% for the first quarter of last year.

Non-GAAP Financial Measures

This press release contains a certain non-GAAP financial measure (EBITDA). Please refer to our Current Report on Form 8-K filed with the Securities and Exchange Commission ("SEC") on May 18, 2005 for a description of our use of this measure. EBITDA as calculated by us is not necessarily comparable to similarly titled measures reported by other companies. Additionally, EBITDA is not a measure of financial performance or liquidity under GAAP and should not be considered an alternative to our other financial information determined under GAAP.

Delay in Filing Form 10-Q

As previously announced, we have delayed reporting final 2004 results. We will also delay finalizing results for the first quarter of 2005 and filing our Form 10-Q until we report final results for 2004. The delay in filing the Form 10-Q will extend beyond the due date, including the five-day extension period. The earnings, other selected financial data and 2005 outlook provided in this press release are preliminary and subject to change based on completion of prior year audits. This data should not be viewed as a substitute for full financial statements or as a measure of our performance.

Conference Call

H&E's management will hold its first quarter earnings conference call on May 19, 2005, at 11:00 AM Eastern Time. The conference call number is 1.800.282.9233 and the participant code is 6422. A replay of the call will be available approximately one hour following the call at 1.800.756.3819 and access code 142348.

About H&E Equipment Services L.L.C.

H&E Equipment Services L.L.C. is one of the largest integrated equipment rental, service and sales companies in the United States of America, with an integrated network of 39 facilities, all of which have full service capabilities, and a workforce that includes a highly-skilled group of service technicians and separate and distinct rental and equipment sales forces. In addition to renting equipment, the Company also sells new and used equipment and provides extensive parts

and service support. This integrated model enables the Company to effectively manage key aspects of its rental fleet through reduced equipment acquisition costs, efficient maintenance and profitable disposition of rental equipment. The Company generates a significant portion of its gross profit from parts sales and service revenues.

Forward-Looking Statements

Certain statements contained in this press release are forward-looking in nature. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "on track," "plans", "intends" or "anticipates," or the negative thereof or comparable terminology, or by discussions of strategy or outlook. The Company's business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may materially differ from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, the following: (1) unfavorable economic and industry conditions can reduce demand and prices for the Company's products and services, (2) governmental funding for highway and other construction projects may not reach expected levels, (3) the Company may not have access to the capital that it may require, (4) intense competition, (5) costs may increase more than anticipate, (6) the audit of the Company's 2004 results has not been completed and adjustments may be identified and, consequently, the 2004 and first quarter 2005 data and outlook for 2005 results are subject to change, (7) the re-audit process could result in changes to the Company's financial statements for 2002 and 2003 that could be material to the Company's financial position, results of operations or liquidity and (8) any acceleration of indebtedness under the Company's indentures related to the delay in filing SEC reports.

H&E EQUIPMENT SERVICES L.L.C.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)

	Three Months Ended March 31,	
	2005	2004
Revenues:		
Equipment rentals	\$ 40,591	\$ 35,552
New equipment sales	30,298	25,297
Used equipment sales	25,619	23,262
Parts sales	16,424	13,908
Service revenue	9,163	8,610
Other	6,455	5,327
Total revenues	128,550	111,956
Gross profit:		
Equipment rentals	16,986	9,848
New equipment sales	3,835	2,675
Used equipment sales	5,823	4,446
Parts sales	4,989	3,936
Service revenue	5,917	5,328
Other	(742)	(1,394)
Total gross profit	36,808	24,839
Selling, general, and administrative expenses	25,800	23,970
Gain on sale of property and equipment	41	27
Income from operations	11,049	896
Interest expense	(10,104)	(9,887)
Other income, net	90	27
Net income (loss)	\$ 1,035	\$ (8,964)

H&E EQUIPMENT SERVICES L.L.C.
SELECTED BALANCE SHEET DATA
(in thousands)

	March 31,	December 31,
	2005	2004
Cash	\$ 2,886	\$ 3,358

Rental equipment, net	242,830	242,070
Total assets	414,390	401,566
Total debt (1)	300,284	298,665
Total liabilities	453,758	441,969
Member's deficit	(39,368)	(40,403)
Total liabilities and member's deficit	\$ 414,390	\$ 401,566

(1) Total debt consists of the aggregate amounts outstanding on the senior secured credit facility, senior secured notes, senior subordinated notes and capital lease obligations.

H&E EQUIPMENT SERVICES L.L.C.
RECONCILIATION OF EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

(in thousands)

	<u>Three Months Ended March 31,</u>	
	<u>2005</u>	<u>2004</u>
Net income (loss)	\$ 1,035	\$ (8,964)
Interest	10,104	9,887
Depreciation and amortization	13,211	13,076
Earnings before interest, taxes, depreciation and amortization	\$ 24,350	\$ 13,999