
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2008

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-32401

MANITEX INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Michigan
(State or Other Jurisdiction of
Incorporation or Organization)

42-1628978
(I.R.S. Employer
Identification Number)

7402 W. 100th Place, Bridgeview, Illinois 60455
(Address of Principal Executive Offices)
(Zip Code)

(708) 430-7500
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes No

The number of shares of the registrant's common stock, no par value, outstanding as of October 28, 2008 was 10,573,158.

MANITEX INTERNATIONAL, INC.

FORM 10-Q INDEX

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PART 1 – FINANCIAL INFORMATION

Item 1—Financial Statements

Manitex International, Inc. and Subsidiaries

Consolidated Balance Sheet

(In thousands, except for per share amounts)

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
	Unaudited	
ASSETS		
Current assets		
Cash	\$ 207	\$ 569
Trade receivables (net)	19,270	16,548
Other receivables	31	226
Inventory (net)	21,030	16,048
Deferred tax asset	715	715
Prepaid expense and other	774	762
Current assets of discontinued operations	—	172
Total current assets	<u>42,027</u>	<u>35,040</u>
Total fixed assets (net)	5,637	5,778
Intangible assets (net)	20,047	21,352
Deferred tax asset	4,451	3,940
Goodwill	14,177	14,065
Total assets	<u>\$ 86,339</u>	<u>\$ 80,175</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 1,351	\$ 807
Notes payable—short term	—	82
Current portion of capital lease obligations	261	281
Accounts payable	13,576	9,543
Accrued expenses	2,892	4,408
Other current liabilities	652	486
Current liabilities of discontinued operations	—	265
Total current liabilities	<u>18,732</u>	<u>15,872</u>
Long-term liabilities		
Line of credit	18,036	14,191
Deferred tax liability	4,655	4,655
Notes payable	2,323	5,211
Capital lease obligations	4,225	4,422
Deferred gain on sale of building	3,644	3,930
Other long-term liabilities	259	184
Total long-term liabilities	<u>33,142</u>	<u>32,593</u>
Total liabilities	<u>51,874</u>	<u>48,465</u>
Commitments and contingencies		
Minority interest	—	1,024
Shareholders' equity		
Common Stock—no par value, Authorized, 20,000,000 shares authorized Issued and outstanding, 10,287,569 and 9,809,340 September 30, 2008 and December 31, 2007, respectively	44,017	41,915
Warrants	1,788	1,788
Paid in capital	251	72
Accumulated deficit	(12,182)	(14,094)
Accumulated other comprehensive income	591	1,026
Sub-total	<u>34,465</u>	<u>30,707</u>
Less: Unearned stock based compensation	—	(21)
Total shareholders' equity	<u>34,465</u>	<u>30,686</u>
Total liabilities and shareholders' equity	<u>\$ 86,339</u>	<u>\$ 80,175</u>

The accompanying notes are an integral part of these financial statements

Manitex International, Inc. and Subsidiaries
Consolidated Statement of Operations
(In thousands, except for per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	Unaudited	Unaudited	Unaudited	Unaudited
Net revenues	\$ 28,542	\$ 26,600	\$ 78,549	\$ 79,689
Cost of Sales	24,343	21,594	65,627	64,665
Gross profit	4,199	5,006	12,922	15,024
Operating expenses				
Research and development costs	199	204	656	579
Restructuring expenses	236	—	236	—
Selling, general and administrative expenses, including corporate expenses of \$601 and \$791 for the three months and \$2,295 and \$2,727 for the nine months ended September 30, 2008 and 2007, respectively	2,890	2,935	9,368	9,553
Total operating expenses	3,325	3,139	10,260	10,132
Operating income from continuing operations	874	1,867	2,662	4,892
Other income (expense)				
Interest income	—	—	—	6
Interest expense	(467)	(891)	(1,459)	(2,796)
Foreign currency transaction losses	(72)	(172)	(84)	(662)
Other income	—	1	52	147
Total other income (expense)	(539)	(1,062)	(1,491)	(3,305)
Income from continuing operations before income taxes	335	805	1,171	1,587
Income tax (benefit)	29	(67)	(367)	147
Net income from continuing operations	306	872	1,538	1,440
Discontinued operations:				
Income (loss) from operations of the discontinued Testing and Assembly Equipment segment, net of income taxes (benefit) \$(0) and \$0 for the three months and \$11 and \$0 for the nine months ended September 30, 2008 and 2007, respectively	—	(196)	188	(1,162)
Gain (loss) on sale or closure of discontinued operations net of income tax (benefits), net of income taxes of \$0 and \$0 for three and \$14 and \$0 for the nine months ended September 30, 2008 and 2007, respectively	—	242	186	(48)
Net income	<u>\$ 306</u>	<u>\$ 918</u>	<u>\$ 1,912</u>	<u>\$ 230</u>
Basic				
Earnings from continuing operations	\$ 0.03	\$ 0.10	\$ 0.16	\$ 0.18
Earnings (loss) from discontinued operations	\$ —	\$ (0.02)	\$ 0.02	\$ (0.14)
Gain (loss) on sale or closure of discontinued operations net of income tax	\$ —	\$ 0.03	\$ 0.02	\$ (0.01)
Net earnings per share	\$ 0.03	\$ 0.11	\$ 0.19	\$ 0.03
Diluted				
Earnings from continuing operations	\$ 0.03	\$ 0.09	\$ 0.15	\$ 0.17
Earnings (loss) from discontinued operations	\$ —	\$ (0.02)	\$ 0.02	\$ (0.13)
Gain (loss) on sale or closure of discontinued operations net of income tax	\$ —	\$ 0.03	\$ 0.02	\$ (0.01)
Net earnings per share	\$ 0.03	\$ 0.10	\$ 0.19	\$ 0.03
Weighted average common share outstanding				
Basic	10,064,939	8,636,940	9,909,234	8,136,249
Diluted	10,318,731	9,239,276	10,307,964	8,723,865

The accompanying notes are an integral part of these financial statements.

Manitex International, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
(In thousands)

	<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2008</u>	<u>2007</u>
	<u>Unaudited</u>	<u>Unaudited</u>
Cash flows from operating activities:		
Net income	\$ 1,912	\$ 230
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	1,459	1,607
Decrease in allowances for doubtful accounts	(22)	(44)
Gain on disposal of assets	(42)	(10)
Deferred income taxes	(511)	—
Inventory reserves	(6)	421
Stock based deferred compensation	206	13
Reserve for uncertain tax positions	75	—
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(2,863)	(1,060)
(Increase) decrease in inventory	(5,543)	1,908
(Increase) decrease in prepaid expenses	(40)	(226)
Increase (decrease) in accounts payable	4,184	(2,895)
Increase (decrease) in accrued expense	(1,478)	820
Increase (decrease) in other current liabilities	201	(432)
Discontinued operations - cash provided by (used) for operating activities	(93)	26
Net cash provided by (used) for operating activities	<u>(2,561)</u>	<u>358</u>
Cash flows from investing activities:		
Purchase of capital equipment	(386)	(22)
Proceeds from the sale of assets of discontinued operations	—	1,131
Proceeds from the sale of equipment	55	16
Net cash provided by (used) for investing activities	<u>(331)</u>	<u>1,125</u>
Cash flows from financing activities:		
Borrowing on revolving credit facility	4,009	833
Payments on capital lease obligations	(217)	(258)
Note payments	(1,354)	(11,522)
Net proceeds from the issuance of stock	—	8,019
Proceeds from the issuance of warrants	—	231
Proceeds on the exercise of warrants	—	1,875
Net cash provided by (used) for financing activities	<u>2,438</u>	<u>(822)</u>
Effect of exchange rate change on cash	92	26
Net increase (decrease) in cash and cash equivalents	(454)	661
Cash and cash equivalents at the beginning of the year	<u>569</u>	<u>615</u>
Cash and cash equivalents at end of period	<u>\$ 207</u>	<u>\$ 1,302</u>

The accompanying notes are an integral part of these financial statements.

Manitex International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
(in thousands, except per share data)

Note 1. Nature of Operations

On May 27, 2008, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Michigan Department of Labor & Economic Growth. The Certificate of Amendment was filed to change the name of the Company to Manitex International, Inc. (the "Company") from Veri-Tek International, Corp. This name change was effective as of May 28, 2008. The Manitex International name was chosen in order to provide a clearer corporate identity to our customers and to the specialized lifting equipment industry by renaming the company after our largest and most well known material handling product line brand.

The Company is a leading provider of engineered lifting solutions. The Company designs, manufactures and distributes a diverse group of products that serve different functions and are used in a variety of industries. Through its Manitex subsidiary it markets a comprehensive line of boom trucks and sign cranes. Manitex's boom trucks and crane products are primarily used for industrial projects, energy exploration and infrastructure development, including, roads, bridges and commercial construction. The Manitex Liftking subsidiary sells a complete line of rough terrain forklifts and special mission oriented vehicles, as well as other specialized carriers, heavy material handling transporters and steel mill equipment. Manitex Liftking's rough terrain forklifts are used in both commercial and military applications. Specialty mission oriented vehicles and specialized carriers are designed and built to meet the Company's unique customer needs and requirements. The Company's specialized lifting equipment has met the particular needs of customers in various industries that include utility, ship building and steel mill industries.

Historically, the Company also designed, developed, and built specialty testing and assembly equipment for the automotive and heavy equipment industries that identifies defects through the use of signature analysis and in-process verification. Against the background of the operating losses generated in recent history by the Testing & Assembly Equipment segment operations based at Wixom, Michigan, the Company conducted a strategic review of these operations. On March 29, 2007, our Board of Directors approved a plan to sell our Testing & Assembly Equipment segment's operating assets including its inventory, machinery, equipments and patents. As a result, our Testing & Assembly Equipment segment has been accounted for as a discontinued operation starting with the first quarter of 2007. On August 1, 2007, the assets used in connection with the Company's diesel engine testing equipment were sold to EuroMaint Industry, Inc., a Delaware corporation ("EuroMaint"). As of August 31, 2007, all operations of the former Testing and Assembly Equipment segment had ceased. (See Note 5)

As a result of discontinuing our former Testing and Assembly Equipment segment, the Company again operates in only a single business segment, Lifting Equipment. Accordingly, our financial statements no longer include segment information. The Company's consolidated financial statements reflect the Testing and Assembly Equipment segment as a discontinued operation.

2. Basis of Presentation

The consolidated financial statements, included herein, have been prepared by the Company without audit pursuant to the rules and regulations of the United States Securities and Exchange Commission. Pursuant to these rules and regulations, certain information and footnote disclosures normally included in financial statements which are prepared in accordance with generally accepted accounting principles have been or omitted. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the Company's financial position as of September 30, 2008, and results of its operations and cash flows for the periods presented. The consolidated balances as of December 31, 2007 were derived from audited financial statements but do not include all disclosures required by generally accepted accounting principles. The accompany consolidated financial statements have been prepared in accordance with accounting standards for interim financial statements and should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2007. The results of operations for the interim periods are not necessarily indicative of the results of operations expected for the year.

Reclassifications

Certain reclassifications have been made to the 2007 financial statements to conform to the 2008 presentation.

3. Critical Accounting Policies

Revenue Recognition — For products shipped FOB destination, sales are recognized when the product reaches its FOB destination, or when the services are rendered, which represents the point when the risks and rewards of ownership are transferred to the customer. For products shipped FOB shipping point, revenue is recognized when the product is shipped, as this is the point when title and risk of loss pass from us to our customers.

Customers may be invoiced prior to the time customers take physical possession. Revenue is recognized in such cases only when the customer has a fixed commitment to purchase the units, the units have been completed, tested and made available to the customer for pickup or delivery, and the customer has authorized in writing that we hold the units for pickup or delivery at a time specified by the customer. In such cases, the units are invoiced under our customary billing terms, title to the units and risks of ownership pass to the customer upon invoicing, the units are segregated from our inventory and identified as belonging to the customer and we have no further obligations under the order.

The Company establishes reserves for future warranty expense at the point when revenue is recognized by the Company and is based on percentage of revenues. The provision for estimated warranty claims is included in cost of sales.

Accrued Warranties — The Company's products are typically sold with a warranty covering defects that arise during a fixed period of time. The specific warranty offered is a function of customer expectations and competitive forces. The liability is established using historical warranty claim experience. Historical warranty experience is, however, reviewed by management. The current provision may be adjusted to take into account unusual or non-recurring events in the past or anticipated changes in future warranty claims. Adjustments to the initial warranty accrual are recorded if actual claim experience indicates that adjustments are necessary. Warranty reserves are reviewed to ensure critical assumptions are updated for known events that may impact the potential warranty liability.

Income Taxes — The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes," which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial accounting and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income prior to the expiration of any net operating loss carryforwards. The Company could not conclude that it was more likely than not that its deferred tax asset would be realized in the future and accordingly has established a valuation allowance against all of its net deferred tax assets with the exception of certain state tax credits.

Litigation Claims — In determining whether liabilities should be recorded for pending litigation claims, the Company must assess the allegations and the likelihood that it will successfully defend itself. When the Company believes it is probable that it will not prevail in a particular matter, it will then make an estimate of the amount of liability based, in part, on advice of outside legal counsel.

Use of Estimates — The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Discontinued Operations — The consolidated financial statements present the Testing and Assembly Equipment Segment as a discontinued operation in accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. (See Note 5)

Impairment of Long Lived Assets — In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the Company reviews its long-lived assets, including property and equipment, and other identifiable intangibles for impairment annually in the fourth quarter of the year or whenever events or changes in

circumstances indicate that the carrying amount of the assets may not be fully recoverable. To determine recoverability of its long-lived assets, the Company evaluates the probability that future undiscounted net cash flows, without interest charges, will be less than the carrying amount of the assets. Impairment is measured at fair value. The Company has recorded no losses on impairment of long-lived assets during the nine months ended September 30, 2008 and 2007.

Goodwill and Other Intangibles — As required by SFAS No. 142, “Goodwill and Other Intangibles,” the Company evaluates goodwill for impairment annually in the fourth quarter of the year or whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company evaluates goodwill for impairment using the required business valuation method, which is calculated as of a measurement date by determining the present value of debt-free, after-tax projected future cash flows, discounted at the weighted average cost of capital of a hypothetical third party buyer. The Company has recorded no losses on impairment of goodwill during the nine months ended September 30, 2008 and 2007.

Sale and Leaseback — In accordance with FASB 13, 66 and 98, the Company has recorded deferred revenue in relationship to the sale and leaseback of one of our operating facilities. As such, the gain on the sale of the land and building has been deferred and is being amortized on a straight line basis over the life of the lease.

Computation of EPS — Basic Earnings per Share (“EPS”) was computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period.

The number of shares related to options, warrants, restricted stock units and similar instruments included in diluted EPS (“EPS”) is based on the “Treasury Stock Method” prescribed in SFAS No. 128. This method assumes theoretical repurchase of shares using proceeds of the respective stock option or warrant exercise or in the case of restricted stock units the amount of deferred unearned compensation at a price equal to the issuer’s average stock price during the related earnings period. Accordingly, the number of shares includable in the calculation of EPS in respect of the stock options, warrants, restricted stock units and similar instruments is dependent on this average stock price and will increase as the average stock price increases.

Securities of a subsidiary that are convertible into its parent company’s common stock shall be considered, until conversion, among potential common shares of the parent company for the purposes of computing consolidated diluted EPS.

Stock Based Compensation — In accordance with SFAS No. 123R “Share Based Payments” share-based payments to employees, including grants of restricted stock units, are measured at fair value as of the date of grant and are expensed in the consolidated statement of operations over the service period (generally the vesting period).

Comprehensive Income — Statement of Financial Accounting Standard (“SFAS”) No. 130 “Reporting Comprehensive Income” requires reporting and displaying comprehensive income and its components. Comprehensive income includes, in addition to net earnings, other items that are reported as direct adjustments to stockholder’s equity. Currently, the only comprehensive income adjustment required for the Company is a foreign currency translation adjustment, the result of consolidating its foreign subsidiary. Comprehensive income from continuing operations was \$37 and \$1,377 for the three months and \$1,103 and \$1,268 for the nine months ended September 30, 2008 and 2007, respectively.

Foreign Currency Translation — The financial statements of the Company’s non-U.S. subsidiaries are translated using the current exchange rate for assets and liabilities and the weighted-average exchange rate for the year for income and expense items. Resulting translation adjustments are recorded to Accumulated Other Comprehensive Income (OCI) as a component of stockholders’ equity.

The Company converts receivables and payables denominated in other than the Company’s functional currency at the exchange rate as of the balance sheet date. The resulting transaction exchange gains or losses, except for certain transactions gains or loss related to intercompany receivable and payables, are included in other income and expense. Transaction gains and losses related to intercompany receivables and payables not anticipated to be settled in the foreseeable future are excluded from the determination of net income and are recorded as a translation adjustment to Accumulated Other Comprehensive Income (OCI) as a component of stockholders’ equity.

Forward Currency Exchange Contracts — Beginning in September 2007, the Company entered into forward currency exchange contracts in relationship such that the exchange gains and losses on the assets and liabilities denominated in other than the reporting units’ functional currency would be offset by the changes in the market value of the forward currency exchange contracts it holds. In accordance with FAS No. 52, the Company records at the balance sheet date the forward currency exchange contracts at its market value with any associated gain or loss being recorded in current earnings. Both realized and unrealized gains and losses related to forward currency

contracts are included in current earnings and are reflected in the Statement of Operations in the other income expense section on the line titled foreign currency transaction losses. The Company has recorded for the nine months ended September 30, 2008 a realized loss of approximately \$22 and unrealized loss of approximately \$207 and for the three months ended September 30, 2008 a realized loss of \$2 and an unrealized loss of \$104 related to forward currency contracts.

FAS No. 157 requires that assets and liabilities that are measured at fair value on a recurring basis be categorized according to a three level hierarchies established in the opinion which prioritizes the inputs used in measuring fair value. Fair value of the forward currency contracts are determined on the last day of each reporting period using quoted prices in active markets, which are supplied to the Company by the foreign currency trading operation of its bank. Under FAS No. 157, items valued based on quoted prices in active markets are Level 1 items. The following is summary of items that the Company measures at fair value as of September 30, 2008:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities:				
Forward currency exchange contracts	<u>\$ 48</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 48</u>

Financial Instruments and Credit Risk Concentrations — Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash, trade receivables and payables.

The Company maintains its cash balances and marketable securities at banks in Detroit, Michigan and Toronto, Canada. Accounts in the United States are insured by the Federal Deposit Insurance Corporation up to \$100. At September 30, 2008 and December 31, 2007, the Company had uninsured balances of \$107 and \$469, respectively.

The Company attempts to purchase forward currency contracts in relationship so that gains and losses on its forward contracts offsets exchange gains and losses on its on the assets and liabilities denominated in other than the reporting units' functional currency. Forward currency exchange contracts, if not offset by existing foreign currency positions, will result in the recognition of gains and losses which are not offset. At September 30, 2008, the Company had entered into a series of forward currency exchange contracts. The contracts obligate the Company to purchase approximately CDN \$3,000 in total. The contracts which are in various amounts mature between October 1, 2008 and December 31, 2009. Under the contract, the Company will purchase Canadian dollars at exchange rates between .9396 and .9587. The Canadian to US dollar exchange rates was .9397 at September 30, 2008.

For the nine months ended September 30, 2008 three customers accounted for 20%, 14%, and 12% our accounts receivable. For the fiscal year ended December 31, 2007 no single customer accounted for 10% or more of our accounts receivable.

The Company purchased 18% and 11% of total purchases from two suppliers in the third quarter of 2008 and 11% each from the same two vendors for the nine months ended September 30, 2008. Two suppliers constituted 15% and 11% of purchases in the third quarter 2007 and one supplier accounted for 13% of total Company purchases for the nine months ended September 30, 2007.

For the three months ended September 30, 2008, three customers accounted 19%, 14%, and 11% of the Company's net revenue. Two customers each accounted for 11% of our net revenue for the nine months ended September 30, 2008. No single customer accounted for more than 10% of sales for the third quarter 2007 or the nine months ended September 30, 2007.

Statement of Cash Flows — Non-cash transactions that do not affect earnings are excluded from the statement of cash flows. During the nine months ended September 30, 2008 there were three non-cash events. On September 16, 2008, the holder of 266,000 shares of convertible subsidiary stock exchanged these shares for 266,000 shares of the Company's common stock. (See note 8.) On May 2, 2008, the Company reached an agreement with debt holders to exchange \$1,072 of debt for common stock. The balance sheet effect of this transaction was to decrease long-term notes payable by \$1,072 and to increase common stock by \$1,072. (See note 7 and 15)

During the quarter ended June 30, 2008, the Company completed its analysis of inventory received in the Noble product line acquisition and determined the value of the inventory was \$112 less than previously estimated. The balance sheet effect of this transaction was to decrease inventory by \$112 and to increase goodwill by \$112.

During the first quarter of 2007, it was agreed that the payable for certain inventory totaling \$462 sold to the Company in the first quarter of 2007 and which was still inventory at March 31, 2007 would be offset against the receivable the Company has from GT Distribution. Additionally, a payable in the amount of \$116 that the Company had to GT Distribution was offset against the receivable the Company had from GT Distribution. The Statement of Cash Flow for September 30, 2007 excludes the \$578 decrease in the related party receivable, the \$462 increase in inventory and the \$116 decrease in accounts payable as these items are non-cash transactions.

Variable Interest Entities — In December 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46 (Revised), Consolidation of Variable Interest Entities (“FIN No. 46R”). This pronouncement clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, and changes the criteria by which one Company includes another entity in its consolidated financial statements. This may occur when equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional financial subordinated support from other parties. Although the Company is not required to consolidate under FIN 46R; the Company has determined that it has a variable interest in a related entity, for which it is not the primary beneficiary.

The Company has a variable interest in the related entity primarily because of the common shareholder ownership between the Company and GT Distribution, LLC; the Company is exposed to risk in regards to its variable interest. The Company both purchases from and sells to GT Distribution. The Company’s exposure will vary in the future and is dependent on purchase from and sales to GT Distribution as well as payment made to or received from GT Distribution. The Company had a net receivable from GT Distribution or its subsidiaries of approximately \$398 and \$300 at September 30, 2008 and December 31, 2007, respectively. On October 6, 2008, we acquired substantially all the assets of two subsidiaries of GT Distribution LLC (See note 18.)

4. Noble Product Line Asset Acquisition

On July 31, 2007, Manitex International, Inc. (the “Company”) entered into an asset purchase agreement with GT Distribution, LLC (“GT Distribution”) pursuant to which GT Distribution transferred all of its rights and interest in the Noble forklift product line (the “Product Line”) to the Company in exchange for the discharge of obligations and trade payables of GT Distribution and certain of its subsidiaries totaling \$4,219 and assumption by the Company of certain liabilities associated with the Product Line.

David J. Langevin, the Company’s Chairman and Chief Executive Officer, has a significant ownership interest in GT Distribution. As a result, the Company received a fairness opinion from an independent financial advisor and the approval of a special independent committee of the Company’s board of directors prior entering into this transaction.

The Noble Product line production has been integrated into our two current production facilities which are located in Woodbridge, Ontario and Georgetown, Texas. The results for the Noble Product Line acquisition have been included in the accompanying consolidated statement of operations from the date of the acquisition.

The purchase price of \$4,219 has been allocated based on the fair values of assets acquired and liabilities assumed. The purchase price has been allocated as follows (in thousands):

Purchase Price Allocation:	
Trade receivables	\$ 195
Inventories	1,155
Trade names & trademarks	380
Patented & Unpatented Technology	780
Customer Relationships	1,130
Goodwill	787
Accounts payable	(156)
Accrued expenses & other current liabilities	(30)
Payable to related parties	(22)
Total purchase price paid	<u>\$ 4,219</u>

A reputation for superior product design, access to a preferred network of dealers and a leading presence in the lifting equipment industry resulted in the recognition of \$787 of Goodwill.

During the three months ended June 30, 2008, the Company has completed its assessment of the inventory and determined that \$112 of the inventory at date of acquisition was unusable. As a result, the purchase allocation was adjusted to decrease inventory by \$112 and to increase goodwill by \$112 to \$787.

Proforma information is not being provided for the Noble Product Line, as it does not constitute an acquisition of a business, pursuant to applicable rules and regulations of the Securities and Exchange Commission. The Noble Product Line is being manufactured in the Company’s two existing manufacturing facilities located in Georgetown, Texas and Woodbridge, Ontario.

5. Discontinued Operations

Against the background of operating losses generated in recent history by the Testing and Assembly Equipment segment operations based at Wixom, Michigan, the Company conducted a strategic review of these operations. On March 29, 2007, our Board of Directors approved a plan to sell our Testing and Assembly Equipment segment's operating assets including its inventory, machinery and equipment and patents. As a result, our Testing and Assembly Equipment segment has been accounted for as a discontinued operation starting with the first quarter of 2007.

On July 5, 2007 the Company entered into an Asset Purchase Agreement with EuroMaint Industry, Inc., a Delaware corporation ("EuroMaint"). Under the terms of the Asset Purchase Agreement, the Company agreed to sell and EuroMaint agreed to purchase certain assets of the Company used in connection with the Company's diesel engine testing equipment business. EuroMaint also assumed and agreed to pay, perform and discharge when due certain obligations of the Company arising in connection with the operation of the Company's diesel engine testing equipment business. In addition to the assumption of those certain assumed liabilities, EuroMaint agreed to pay to the Company the aggregate purchase price of \$1,100. This transaction closed on August 1, 2007. In August 2007, the Company sold at auction all the remaining tangible assets of the Testing and Assembly Equipment segment, comprised of inventory and fixed assets. The Company recorded a gain of \$209 on the sale of assets in the third quarter of 2007.

The following table sets forth the detail of balance sheet captions for discontinued operations as of December 31, 2007.

	<u>December 31,</u> <u>2007</u>
Accounts receivable, net	\$ 132
Cost and estimated earnings in excess of billings, net	<u>40</u>
Total assets	<u><u>172</u></u>
Total liabilities-accrued expenses	<u><u>\$ 265</u></u>

The following table sets forth the detail of the net income (loss) from discontinued operations for the three and nine months ended September 30, 2008 and 2007:

	<u>For three months ended</u> <u>September 30,</u>		<u>For nine months ended</u> <u>September 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues from discontinued operations	\$ —	\$ 197	\$ —	\$ 1,355
Income (loss) from discontinued operations before income taxes	—	(196)	199	(1,162)
Income taxes	—	—	11	—
Net income (loss) from discontinued operations	<u>\$ —</u>	<u>\$ (196)</u>	<u>\$ 188</u>	<u>\$ (1,162)</u>
Gain (loss) on sale of discontinued operations, net of income taxes of \$0 and \$0 for three months and \$14 and \$0 for the nine months ended September 30, 2008 and 2007, respectively	<u>\$ —</u>	<u>\$ 242</u>	<u>\$ 186</u>	<u>\$ (48)</u>

In 2007 the Company did not record a tax benefit attributable to losses from discontinued operations as the Company may not realize such loss in future years.

The estimated loss on sale is shown below:

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Estimated loss on sale of discontinued operations				
Employee termination costs	\$ —	\$ (33)	\$ —	\$ 57
Provision for termination of contracts	—	—	(200)	200
Provision for income taxes	—	—	14	—
Gain on sale of assets of discontinued operations	—	(209)	—	(209)
Total (gain) loss on sale of discontinued operations	<u>\$ —</u>	<u>\$ (242)</u>	<u>\$ (186)</u>	<u>\$ 48</u>

During the nine months ended September 30, 2008 the Company reversed the \$200 (\$186 net of income taxes of \$14) reserve for termination of contracts, as management determined that it was not needed. In the three months ended September 30, 2007, the Company reduced its reserve for employee termination costs by \$33 as the Company determined that employee termination cost would be less than anticipated.

6. Net Earnings Per Common Share

Basic net income per share is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution of warrants, restricted stock, exchangeable debt and convertible subsidiary stock. Details of the calculations are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Net Income per common share basic and diluted				
Earnings from continuing operations	\$ 306	\$ 872	\$ 1,538	\$ 1,440
Earnings (loss) from discontinued operations	—	(196)	188	(1,162)
Gain (loss) on sale or closure of discontinued operations net of income tax	—	242	186	(48)
Net income	<u>\$ 306</u>	<u>\$ 918</u>	<u>\$ 1,912</u>	<u>\$ 230</u>
Earnings per share				
Basic				
Earnings from continuing operations	\$ 0.03	\$ 0.10	\$ 0.16	\$ 0.18
Earnings (loss) from discontinued operations	—	(0.02)	0.02	(0.14)
Gain (loss) on sale or closure of discontinued operations net of income tax	—	0.03	0.02	(0.01)
Net earnings per common share	<u>\$ 0.03</u>	<u>\$ 0.11</u>	<u>\$ 0.19</u>	<u>\$ 0.03</u>
Diluted				
Earnings from continuing operations	\$ 0.03	\$ 0.09	\$ 0.15	\$ 0.17
Earnings (loss) from discontinued operations	—	(0.02)	0.02	(0.13)
Gain (loss) on sale or closure of discontinued operations net of income tax	—	0.03	0.02	(0.01)
Net earnings per common share	<u>\$ 0.03</u>	<u>\$ 0.10</u>	<u>\$ 0.19</u>	<u>\$ 0.03</u>
Weighted average common share outstanding				
Basic	<u>10,064,939</u>	<u>8,636,940</u>	<u>9,909,234</u>	<u>8,136,249</u>
Diluted:				
Basic	10,064,939	8,636,940	9,909,234	8,136,249
Dilutive effect of restricted stock units	26,892	—	19,924	—
Dilutive effect of warrants	4,270	336,336	95,563	321,616
Dilutive effect of exchangeable debt	—	—	31,700	—
Dilutive effects of exchangeable subsidiary stock (See Note 8)	222,630	266,000	251,543	266,000
Diluted	<u>10,318,731</u>	<u>9,239,276</u>	<u>10,307,964</u>	<u>8,723,865</u>

7. Equity

Issuance of Common Stock and Warrants

Manitex Lifting Shares Exchanged for Common Stock

On September 16, 2008, the Company issued to 266,000 shares of its common stock in exchange for 266,000 shares of stock in its Manitex Lifting Canadian Subsidiary that had value of \$1,024. The 266,000 shares of Manitex

Liftking (“Exchangeable Shares”) were issued on November 30, 2006, as a portion of the aggregate consideration that was paid to acquire the assets of Liftking Industries, Inc. Upon the issuance of the Exchangeable Shares the holder of the shares had a right to exchange the shares for 266,000 shares of Manitex International, Inc. common stock. Upon exchange, the value of the exchangeable shares which was previously shown as a minority interest was reclassified to common stock.

QVM Note Exchanged for Common Stock

On May 2, 2008, the Company entered into an Exchange Agreement (the “Exchange Agreement”) with Michael Azar, David Langevin, Robert Skandalaris, Lubomir Litchev, Patrick Flynn, and Michael Hull (the “Holders”), and Michael Azar, as the “Holders’ Representative.” The Exchange Agreement was entered into in connection with a Non-Negotiable Subordinated Promissory Note (the “Note”), dated July 3, 2006, which was entered into in connection with the Company’s acquisition of the membership interests of Quantum Value Management, LLC in the amount of \$1,072. Under the agreement the Company issued 211,074 shares of common stock and the note was cancelled. The terms of the Exchange Agreement also provide the Holders with “piggy-back” registration rights for the shares issued to them pursuant to the Exchange Agreement.

David Langevin is currently the Company’s Chairman and Chief Executive Officer. Due to the related-party aspect of this transaction, the Exchange Agreement and the transactions contemplated by the Exchange Agreement were approved by the Audit Committee of the Company’s Board of Directors.

2007 Private Placement

On September 10, 2007, the Company closed a \$9,000 private placement of its common stock (the “2007 Private Placement”) pursuant to the terms of a security purchase agreement entered into among the Company and certain institutional investors on August 30, 2007 (the “2007 Securities Purchase Agreement”). Pursuant to the 2007 Securities Purchase Agreement, the Company issued 1,500,000 shares of its common stock. The Company also issued warrants (as described below) to the investment banker who acted as its exclusive placement agent for the 2007 Private Placement. In connection with the 2007 Private Placement, the Company incurred investment banking fees of \$630 and legal fees and expenses of approximately \$155. The Company’s net cash proceeds after fees and expenses were \$8,215 with \$7,983 and \$231 being allocated to common stock and warrants, respectively.

In connection with the Private Placement, the Company filed a Registration Statement on Form S-3 to register resale of shares issued in the Private Placement and the shares underlying the warrants. The registration statement was declared effective on October 15, 2007.

Stock Issuance

On September 16, 2008, the Company issued 266,000 shares of its common stock in exchange for 266,000 shares of stock in its Manitex Liftking Canadian Subsidiary.

On June 30, 2008, the Company issued 1,155 shares of common stock to a former independent Director related to restricted stock units that had vested on May 15, 2007.

On June 12, 2008, the Company issued 211,074 shares of common stock in exchange for the cancellation of its note issued in connection with the acquisition of the membership interests of Quantum Value Management, LLC.

On November 12, 2007, the Company granted an aggregate of 10,500 restricted stock units to three independent Directors pursuant to the Company’s 2004 Equity Incentive Plan. One-third of the restricted stock units vested on December 31, 2007 resulting in the issuance on that date of an aggregate of 3,465 shares of the Company’s common stock.

On July 30, 2007, Company issued 2,000 shares of common stock pursuant to the exercise of 1,000 Series A warrants and 1,000 Series B warrants. The exercise of warrants resulted in an increase in common stock of \$12 of which approximately \$8 represented cash received upon the exercise of the warrants and the balance of approximately \$3 represented the value of the exercised warrants as determined upon issuance of the warrants on November 15, 2006. As a result of exercise, the \$3 which was previously included in shareholders’ equity under the caption warrants is transferred to common stock.

On July 5, 2007, Company issued 246,000 shares of common stock pursuant to the exercise of 246,000 Series B warrants. The exercise of warrants resulted in an increase in common stock of \$1,463 of which approximately \$1,046 represented cash received upon the exercise of the warrants and the balance of approximately \$417 represented the value of the exercised warrants as determined upon issuance of the warrants on November 15, 2006. As a result of exercise, the \$417 which was previously included in shareholders’ equity under the caption warrants is transferred to common stock.

On June 11, 2007, Company issued 198,000 shares of common stock pursuant to the exercise of 99,000 Series A warrants and 99,000 Series B warrants. The exercise of warrants resulted in an increase in common stock of \$1,161, of which approximately \$822 represented cash received upon the exercise of the warrants and the balance of approximately \$339 represented the value of the exercised warrants as determined upon issuance of the warrants on November 15, 2006. As a result of exercise, the \$339 which was previously included in shareholders' equity under the caption warrants is transferred to common stock.

Stock Warrants

The Company accounts for equity instruments issued to non-employees based on the fair value of the equity instruments issued. The warrants will be exercisable on a cashless basis under certain circumstances, and are callable by the Company on a cashless basis under certain circumstances. Roth Capital Partners, LLC acted as exclusive placement agent for the 2007 Private Placement and received cash and 105,000 warrants to purchase the Company's common stock as a placement agent fee. The warrants were issued the day after the closing of the 2007 Private Placement (September 11, 2007) and became exercisable after the sixth month anniversary of the issuance date of the warrants until September 11, 2012. The warrant holder can purchase 105,000 shares of the Company's common stock. The warrants have an exercise price of \$7.18 per share.

On June 18, 2007, the Company and Hayden Communications, Inc. ("Hayden") entered into a contract under which Hayden will provide public and investor relation services to the Company for a period of one year. The contract provides for the issuance of 15,000 warrants to Hayden Communications, Inc. Each warrant allows Hayden to purchase one share of Company common stock for \$7.08 per share. The warrants are exercisable beginning on June 15, 2008 and expire on June 15, 2011. The warrants are exercisable on a cashless basis under certain circumstances. The warrants and underlying common stock are not registered under federal or state securities laws and, therefore, may not be sold or transferred by Hayden in the absence of registration or an exemption therefrom.

At September 30, 2008 and December 31, 2007, the Company had issued and outstanding warrants as follows:

<u>Number of Warrant Shares</u>		<u>Exercise Price</u>	<u>Expiration Date</u>	<u>In Connection With</u>
<u>September 30, 2008</u>	<u>December 31, 2007</u>			
450,000	450,000	\$ 4.05	November 15, 2011	Private placement
204,000	204,000	\$ 4.25	November 15, 2011	Private placement
192,500	192,500	\$ 4.62	November 15, 2011	Placement Agent Fee
15,000	15,000	\$ 7.08	June 15, 2011	Investor Relations Services
105,000	105,000	\$ 7.18	September 11, 2012	Placement Agent Fee

No warrants were exercised during the three or nine months end September 30, 2008

2004 Equity Incentive Plan

In 2004, the Company adopted the 2004 Equity Incentive Plan and subsequently amended and restated the plan on September 13, 2007. The maximum number of shares of common stock reserved for issuance under the plan is 350,000 shares. The total number of shares reserved for issuance may, however, may be adjusted to reflect certain corporate transactions or changes in our capital structure. Our employees and members of our board of directors who are not our employees or employees of our affiliates are eligible to participate in the plan. The plan is administered by a committee of our board comprised of members who are non-employee directors. The plan provides that the committee has the authority to, among other things, select plan participants, determine the type and amount of awards, determine award terms, fix all other conditions of any awards, interpret the plan and any plan awards. Under the plan, the committee can grant stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and performance units, except Directors may not be granted stock appreciation rights, performance shares and performance units. During any calendar year, participants are limited in the number of grants they may receive under the plan. In any year, an individual may not receive options for more than 15,000 shares, stock appreciate rights with respect to more than 20,000 shares, more than 20,000 shares of restricted stock and/or an award for more than 10,000 performance shares or restricted stock units or performance units. The plan requires that the exercise price for stock options and stock appreciation rights be not less than fair market value of our common stock on date of grant.

On November 12, 2007, the Company awarded under the Amended and Restated 2004 Equity Incentive Plan 55,615 and 10,500 restricted stock units to employees and to the independent Directors, respectively. No awards or grants

were made under the 2004 Equity Incentive Plan prior to November 12, 2007. The restricted stock units are subject to the same conditions as the restricted stock awards except the restricted stock units will not have voting rights and the common stock will not be issued until the vesting criteria are satisfied. The employee restricted stock units will vest 33%, 33% and 34% on October 1, 2008, October 1, 2009 and October 1, 2010, respectively. Units granted to Directors will vest 33%, 33% and 34% on December 31, 2007, December 31, 2008 and December 31, 2009, respectively. The restricted stock units awarded were valued at \$416 or \$6.30 per share, which was the closing price of the Company's common stock on the date of grant.

On April 15, 2008, the Company awarded under the Amended and Restated 2004 Equity Incentive Plan 4,000 restricted stock units to an employee. The employee restricted stock units will vest 33%, 33% and 34% on March 31, 2009, March 31, 2010, and March 31, 2011 respectively. The restricted stock units awarded were valued at \$18 or \$4.55 per share, which was the closing price of the Company's common stock on the date of grant.

The value of the restricted stock units is being charged to compensation expense over the vesting period. For the three and nine months ended September 30, 2008, the Company recognized compensation expense of \$60 and \$179 with an offsetting credit to paid in capital related to restricted stock units granted to the Company's employees and Directors. During the three months and nine months ended September 30, 2007 no restricted stock units were granted or became vested. As of September 30, 2008, there were 66,300 restricted stock units outstanding.

In connection with the departure of one of the Company's independent directors, the Company awarded 1,155 restricted stock units under its Amended and Restated 2004 Equity Incentive Plan to such director for past services. The award vested on May 15, 2008 and the Company issued 1,155 shares of common stock to such director on June 30, 2008. The stock on date of grant was valued at \$6 or \$5.12 per share. The value of the stock issued was immediately recognized as compensation expense with an offsetting credit to common stock.

As of September 30, 2008, total deferred compensation related to restricted stock units was \$161, additional compensation expense of \$31, \$97, \$32 and \$1 will be recognized in the remainder of 2008, 2009, 2010 and 2011, respectively.

8. Minority Interest

On November 30, 2006, the Company issued 266,000 shares of stock in Manitek Lifting Canadian Subsidiary with a value of \$1,024. These shares were exchangeable into 266,000 shares of the Company's Common Stock. Until the shares were exchanged, the value of the exchangeable shares was shown as a minority interest. On September 16, 2008, the shares of stock in Manitek Lifting Canadian Subsidiary were exchanged for 266,000 shares of Manitek International, Inc. Common Stock.

9. New Accounting Pronouncements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. This statement defines fair value, establishes a framework for measuring fair value, and expands the related disclosure requirements. On January 1, 2008, SFAS 157 was adopted by the Company. The adoption of the Statement did not have a material impact on its financial position, results of operations or cash flows.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132(R)" (SFAS 158). This statement requires balance sheet recognition of the over funded or under funded status of pension and postretirement benefit plans. Under SFAS 158, actuarial gains and losses, prior service costs or credits, and any remaining transition assets or obligations that have not been recognized under previous accounting standards must be recognized in Accumulated Other Non-Shareowners' Changes in Equity, net of tax effects, until they are amortized as a component of net periodic benefit cost. In addition, the measurement date, the date at which plan assets and the benefit obligation are measured, is required to be the company's fiscal year end. SFAS 158 is effective for publicly-held companies for fiscal years ending after December 15, 2006, except for the measurement date provisions, which are effective for fiscal years ending after December 15, 2008. On January 1, 2007, the Company adopted SFAS No. 158, except for the measurement date provisions, which are effective for fiscal years ending after December 15, 2008. The adoption of the Statement did not have a material impact on its financial position, results of operations or cash flows.

The FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115" ("SFAS No. 159") in February 2007. SFAS No. 159 permits a company to choose to measure many financial instruments and other items at fair value that are not currently required to be

measured at fair value. The objective is to improve financial reporting by providing a company with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. A company shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. On January 1, 2008, the Company adopted SFAS No. 159. The adoption of the Statement did not have a material impact on its financial position, results of operations or cash flows.

In June 2007, the Emerging Issues Task Force (“EITF”) reached a consensus on EITF Issue No. 06-11, “Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards” (“EITF 06-11”). EITF 06-11 requires companies to recognize a realized income tax benefit associated with dividends or dividend equivalents paid on nonvested equity-classified employee share-based payment awards that are charged to retained earnings as an increase to additional paid-in capital. EITF 06-11 was adopted on January 1, 2008. The adoption of EITF 06-11 did not have a material impact on our Consolidated Financial Statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, “Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51” (“Statement No. 160”). Statement No. 160 requires (i) that noncontrolling (minority) interests be reported as a component of shareholders’ equity, (ii) that net income attributable to the parent and to the noncontrolling interest be separately identified in the consolidated statement of operations, (iii) that changes in a parent’s ownership interest while the parent retains its controlling interest be accounted for as equity transactions, (iv) that any retained noncontrolling equity investment upon the deconsolidation of a subsidiary be initially measured at fair value, and (v) that sufficient disclosures are provided that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. Statement No. 160 is effective for annual periods beginning after December 15, 2008 and should be applied prospectively. However, the presentation and disclosure requirements of the statement shall be applied retrospectively for all periods presented. We are currently assessing the impact SFAS No. 160 will have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), “Business Combinations” (“SFAS 141R”). SFAS 141R continues to require the purchase method of accounting to be applied to all business combinations, but it significantly changes the accounting for certain aspects of business combinations. Under SFAS 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. SFAS 141R will change the accounting treatment for certain specific acquisition related items including: (1) expensing acquisition related costs as incurred; (2) valuing noncontrolling interests at fair value at the acquisition date; and (3) expensing restructuring costs associated with an acquired business. SFAS 141R also includes a substantial number of new disclosure requirements. SFAS 141R is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. We expect SFAS 141R will have an impact on our accounting for future business combinations once adopted but the effect is dependent upon the acquisitions that are made in the future.

In March 2008, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 161, “Disclosures about Derivative Instruments and Hedging Activities – An Amendment of SFAS No. 133” (“SFAS 161”). SFAS 161 seeks to improve financial reporting for derivative instruments and hedging activities by requiring enhanced disclosures regarding the impact on financial position, financial performance, and cash flows. To achieve this increased transparency, SFAS 161 requires (1) the disclosure of the fair value of derivative instruments and gains and losses in a tabular format; (2) the disclosure of derivative features that are credit risk-related; and (3) cross-referencing within the footnotes. SFAS No. 161 will be effective for fiscal years that begin after November 15, 2008. We are in the process of evaluating the new disclosure requirements under SFAS 161.

In April 2008, the FASB issued FASB Staff Position (“FSP”) FAS 142-3, Determination of the Useful Life of Intangible Assets. This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, “Goodwill and Other Intangible Assets” (“SFAS 142”). The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R, and other GAAP. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company is in the process of determining the impact of adopting this new accounting position on its consolidated financial position.

In May 2008, the FASB issued FASB statement No. 162, “The Hierarchy of Generally Accepted Accounting Principles” (“SFAS 162”). SFAS 162 identifies the sources of accounting principles and the framework for selecting

the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with GAAP in the United States. Any effect of applying the provisions of this Statement shall be reported as a change in accounting principle in accordance with FASB statement No. 154, "Accounting Changes and Error Corrections." The Company is currently evaluating the impact of SFAS 162, but does not expect the adoption of this pronouncement will have an impact on its results of operations, financial position and cash flows.

In June 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." This FSP provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. Upon adoption, a company is required to retrospectively adjust its earnings per share data (including any amounts related to interim periods, summaries of earnings and selected financial data) to conform with the provisions in this FSP. Early application of this FSP is prohibited. The Company is currently evaluating the impact of EITF 03-6-1, but does not expect the adoption of this pronouncement will have an impact on its results of operations, financial position and cash flows.

In October 2008, the FASB issued FASB Staff Position No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active* ("FSP No. 157-3"), to provide guidance on determining the fair value of financial instruments in inactive markets. FSP No. 157-3 became effective for the Company upon issuance, and had no material impact on the Company's financial position, results of operations or cash flows.

10. Inventory

The components of inventory are as follows:

	September 30, 2008	December 31, 2007
Raw Materials and Purchased Parts (net)	\$ 15,069	\$ 13,047
Work in Process	1,573	1,429
Finished Goods and Replacement Parts	4,388	1,572
Inventories (net)	<u>\$ 21,030</u>	<u>\$ 16,048</u>

11. Goodwill and Intangible Assets

	September 30, 2008	December 31, 2007	Useful lives
Patented and unpatented technology	\$ 10,657	\$ 10,684	10 years
Amortization	(2,298)	(1,501)	
Customer relationships	8,284	8,310	20 years
Amortization	(863)	(554)	
Trade names and trademarks	4,669	4,675	25 years
Amortization	(402)	(262)	
Customer Backlog	469	473	< 1 year
Amortization	(469)	(473)	
Intangible assets	<u>20,047</u>	<u>21,352</u>	
Goodwill	<u>14,177</u>	<u>14,065</u>	
Goodwill and other intangibles	<u>\$ 34,224</u>	<u>\$ 35,417</u>	

Amortization expense for intangible assets was \$418 and \$406 for the three months and \$1,254 and \$1,368 for the nine month ended September 30, 2008 and 2007, respectively.

During the quarter ended June 30, 2008, the Company completed its analysis of inventory received in the Noble product line acquisition and determined the value of the inventory was \$112 less than previously estimated. The balance sheet effect of this transaction was decrease inventory by \$112 and to increase goodwill by \$112.

During the quarter ended March 31, 2007, the estimated purchase price allocation for Manitek Liftking was revised and resulted in a decrease in intangible assets of \$547.

12. Accrued Warranties

The liability is established using historical warranty claim experience. Historical warranty experience is, however, reviewed by management. The current provision may be adjusted to take into account unusual or non-recurring events in the past or anticipated changes in future warranty claims. Adjustments to the initial warranty accrual are recorded if actual claim experience indicates that adjustments are necessary. Warranty reserves are reviewed to ensure critical assumptions are updated for known events that may impact the potential warranty liability.

The following table summarizes the changes in product warranty liability:

	Nine Months Ended	
	September 30, 2008	September 30, 2007
Balance January 1,	\$ 950	\$ 821
Accrual for warranties issued during the period	1,122	1,011
Warranty Services provided	(1,324)	(1,012)
Change in estimate	(106)	—
Foreign currency translation	(10)	44
Balance September 30,	<u>\$ 632</u>	<u>\$ 864</u>

13. Line of Credit and Debt

Revolving Credit Facility

At September 30, 2008, the Company had drawn \$15,303 under a revolving credit facility. The Company is eligible to borrow up to \$20,500, with interest at prime rate (prime was 5.00% at September 30, 2008) plus .25%. The maximum amount of borrowings is limited to the sum of 85% of eligible receivables, and the lesser of 65% of eligible inventory or \$8,000 plus \$1,000. On October 1, 2008 the \$1,000 is reduced to \$500 and is further reduced by \$500 on January 1, 2009. At September 30, 2008, the maximum the Company could borrow based on available collateral was capped at \$19,187. The credit facility's original maturity date was January 2, 2005. The maturity date was subsequently extended and the note is now due on April 1, 2010. The indebtedness is collateralized by substantially all of the Company assets. Additionally, certain shareholders or former shareholders of the Company have personally guaranteed \$1,000 of the note. The facility contains customary limitations including, but not limited to, acquisitions, dividends, repurchase of the Company's stock and capital expenditures. The loan agreement also requires the Company to have a minimum Tangible Effective Net Worth, as defined in the agreement and 1.2 to 1 Debt Service Coverage Ratio, as defined in the agreement.

Revolving Canadian Credit Facility

At September 30, 2008, the Company had drawn \$2,733 (USD) under a revolving credit agreement with a bank. The Company is eligible to borrow up to \$4,500 (CDN). The maximum amount outstanding is limited to the sum of 80% of eligible receivables and the lesser of 50% of eligible inventory or CDN \$2,500. At September 30, 2008, the maximum the Company could borrow based on available collateral was CDN \$4,500. The indebtedness is collateralized by substantially all of Manitex Lifting ULC's assets. The Company can borrow in either U.S. or Canadian dollars. For the purposes of determining availability under the credit line, borrowings in U.S. dollars are converted to Canadian dollars based on the most favorable spot exchange rate determined by the bank to be available to it at the relevant time. Any borrowings under the facility in Canadian dollars bear interest at the Canadian prime rate (the Canadian prime was 4.75% at September 30, 2008) plus 1.5%. Any borrowings under the facility in U.S. dollars bear interest at the U.S. prime rate (prime was 5.00% at September 30, 2008) plus .25%. The credit facility has a maturity date of April 1, 2010.

Note Payable Issued to Acquire QVM

In connection with the acquisition of the membership interests of QVM, the Company issued a note payable to the former members of QVM for \$1,072. The note matures on the earlier of July 2, 2009, upon a change in control as defined in the note or if the Company receives cash proceeds of at least \$25,000 from the sale of its common stock or securities convertible or exchangeable for its common stock. Interest is payable on the first day of each calendar quarter, commencing on September 1, 2006. The Interest is computed using the prime rate announced by Comerica Bank at its Detroit office on the last business day immediately preceding the applicable interest payment date. In the event of default interest is accelerated and increased to prime plus 3%.

Under an agreement dated May 2, 2008, the Company issued 211,074 shares of the Company's common stock to former Members of QVM and the note was cancelled. See Note 7 for additional details.

Note Payable Issued to Acquire Liftking Industries

In connection with the Liftking Industries' Acquisition, the Company has a note payable to the seller for \$1,800 (CDN) or \$1,691 (US). The Note shall provide for interest at 1% over the prime rate of interest charged by Comerica Bank for Canadian dollar loans, calculated from the closing date and payable quarterly in arrears commencing April 1, 2007, and for principal payments of two hundred thousand dollars (CDN) quarterly commencing April 1, 2007, with the final installment of principal and interest thereon due December 31, 2011. The note payable is subject to a general security agreement which subordinates the seller's security interest to the interest of the buyer's senior secured credit facility, but shall otherwise rank ahead of the seller's other secured creditors.

Note Payable—Bank

At September 30, 2008, the Company has a \$1,983 note payable to a bank. The note payable to the bank was assumed in connection with the QVM acquisition. The note was due on September 10, 2006. The maturity date has subsequently been extended and the note is now due on April 1, 2010. The note has an interest rate of prime plus 1% until maturity, whether by acceleration or otherwise, or until default, as defined in the agreement, and after that at a default rate of prime plus 4%. Until June 30, 2008 the Company was not required to make principal payments, but was required to make interest payments on the first day of each month. Commencing on July 1, 2008, the Company is also required to make monthly principal payments of \$50 on the first day of each month. The bank has been granted security interest in substantially all the assets of the Company's Manitex subsidiary. Until October 18, 2007, the former members of QVM guaranteed the note. On October 18, 2007, the bank released the former members of QVM from their guarantees.

Capital Leases

The Company has a twelve year lease which expires in April 2018 that provides for monthly lease payments of \$70 for its Georgetown, Texas facility. The lease has been classified as a capital lease under the provisions of FASB Statement No. 13. The Company has also entered into several small equipment leases, with lease terms of three years or less that it has determined are required to be capitalized under the provisions of FASB Statement No. 13. The remaining minimum lease payments for these leases are approximately \$1. As of September 30, 2008, the Company had total capital lease obligations of \$4,486.

14. Legal Proceedings

The Company is involved in various legal proceedings, including product liability and workers' compensation matters which have arisen in the normal course of operations. The Company has product liability insurance with self insurance retention that range from \$50 to \$1,000. Certain cases are at a preliminary stage, and it is not possible to estimate the amount or timing of any cost to the Company. When it is probable that a loss has been incurred and possible to make a reasonable estimates of the Company's liability with respect to such matters, a provision is recorded for the amount of such estimate or the minimum amount of a range of estimates when it is not possible to estimate the amount within the range that is most likely to occur. However, the Company does not believe that these contingencies, in the aggregate, will have a material adverse effect on the Company.

The reserve for legal settlements decreased \$235 from \$370 at December 31, 2007 to \$135 at September 30, 2008. The change in the reserve is principally the result of making two settlement payments which totaled \$227 during the first quarter 2008. At December 31, 2007, reserves to settle these two cases had been established for \$227, as such there was no impact on earnings for the nine months ended September 30, 2008 related to these two settlement payments. Except as noted above, there has been no material changes in amounts accrued for legal settlements.

It is reasonably possible that the "Estimated Reserve for Product Liability Claims" may change within the next 12 months. A change in estimate could occur if a case is settled for more or less than anticipated, or if additional information becomes known to the Company.

15. Transactions between the Company and Related Parties

In the course of conducting its business, the Company has entered into certain related party transactions. In April, 2006, prior to its acquisition by the Company, Manitex completed a sale and leaseback transaction of its Georgetown, Texas facility to an entity controlled by one of its affiliates, who was also a significant shareholder of the Company. The sale price was \$5,000 and the proceeds of the transactions were used to reduce Manitex's debt under its credit facility. The lease has a twelve year term and provides for an initial monthly rent of \$67 which is adjusted annually by the lesser of the increase in the Consumer Price Index ("CPI") or 2%. The aforementioned CPI

adjustment raised the monthly rent to \$70 effective April 2008. Although the Company did not obtain an independent valuation of the property or the terms of the sale and leaseback transaction in connection with its acquisition of Manitex, it believes the terms of the lease are at least as favorable to the Company as they could have obtained from an unaffiliated third party.

The Company, through its Manitex and Manitex Lifting subsidiaries, purchases and sells parts to GT Distribution, Inc. (including its subsidiaries) (“GT”) and has made advances to GT Distribution in connection therewith. GT is owned in part by the Company’s Chairman and Chief Executive Officer. Although the Company does not independently verify the cost of such parts, it believes the terms of such purchases and sales were at least as favorable to the Company as terms that it could obtain from a third party. GT has three operating subsidiaries, BGI USA, Inc. (“BGI”), Crane & Machinery, Inc., and Schaeff Lift Truck, Inc. BGI is a distributor of assembly parts used to manufacture various lifting equipment. Crane & Machinery, Inc. distributes Terex and Manitex cranes, and services and sells replacement parts for most brands of light duty and rough terrain cranes. Schaeff Lift Truck, Inc. manufactures electric forklifts. Schaeff Lift Truck, Inc. has a 100% owned subsidiary domiciled in Bulgaria, SL Industries, Ltd.

On October 6, 2008, the Company completed the acquisition of substantially all of the assets of Schaeff Lift Truck Inc. (“Schaeff”) and Crane & Machinery, Inc. (“Crane,” together with Schaeff, the “Sellers”) pursuant to an Asset Purchase Agreement (the “Purchase Agreement”) with the Sellers and their parent company, GT Distribution, LLC (“GT”). (See Note 18 for further details)

The following is a summary of the amounts attributable to certain related party transactions as described in the footnotes to the table, for the periods indicated:

	<u>Three months ended September 30, 2008</u>	<u>Three months ended September 30, 2007</u>	<u>Nine months ended September 30, 2008</u>	<u>Nine months ended September 30, 2007</u>
Rent paid - Georgetown Facility 1	\$ 209	\$ 205	\$ 622	\$ 611
Rent paid - Woodbridge Facility 2	114	118	345	310
Rent paid - Bridgeview Facility 3	13	9	40	9
Sales to:				
Crane & Machinery, Inc	\$ 130	\$ 25	\$ 165	\$ 196
BGI USA, Inc.	(4)	32	(3)	41
Schaeff Lift Truck, Inc.	63	179	285	476
SL Industries, LTD	—	2	1	2
Liftmaster.	11	140	128	246
Total Sales	<u>\$ 200</u>	<u>\$ 378</u>	<u>\$ 576</u>	<u>\$ 961</u>
	<u>Three months ended September 30, 2008</u>	<u>Three months ended September 30, 2007</u>	<u>Nine months ended September 30, 2008</u>	<u>Nine months ended September 30, 2007</u>
Purchases from:				
BGI USA, Inc	\$ 98	\$ 461	\$ 695	\$ 776
Crane & Machinery, Inc	—	—	—	19
Schaeff Lift Truck, Inc.	8	55	13	624
SL Industries, Ltd.	40	204	657	1,176
Liftmaster.	77	22	354	64
Total Purchases	<u>\$ 223</u>	<u>\$ 742</u>	<u>\$ 1,719</u>	<u>\$ 2,659</u>
Miscellaneous Transactions:				
Professional services provided or (received) by Schaeff Lift Truck (Outsourced staffing)	\$ 36	\$ (23)	\$ 89	\$ (23)
Professional services provided by LiftMaster, Inc. (Outsourced staffing)	\$ —	\$ —	\$ 45	\$ —
Operating loan provided to Schaeff Lift Truck	\$ —	\$ 46	\$ —	\$ 46

1 The Company leases its 188,000 sq. ft. Georgetown, Texas manufacturing facility from an entity owned by one of the Company’s former significant shareholders. Pursuant to the terms of the lease, the Company makes monthly lease payment of \$70. The Company is also responsible for all the associated operating expenses including, insurance, property taxes and repairs. Under the lease, which expires April 30, 2018, monthly rent is adjusted annually by the lesser of increase in the Consumer Price Index or 2%.

- 2 The Company leases its 85,000 sq. ft. Woodbridge facility from an entity owned by a stockholder of the Company and relative of Manitex Liftking ULC's, president and CEO. Pursuant to the terms of the lease, the Company makes monthly lease payments of \$38. The Company is also responsible for all the associated operating expenses, including insurance, property taxes, and repairs. The lease will expire on May 31, 2009.
- 3 The Company leases 11,750 sq. ft of office and warehouse space in GT Distribution Chicago facility for approximately \$4 per month. The lease will expire on May 31, 2010.

As of June 30, 2007, the Company had a receivable of \$4,219 from GT Distribution, net of amounts owed to Crane & Machinery, Inc. On July 31, 2007, the "Company entered into an asset purchase agreement with GT Distribution, LLC ("GT Distribution") pursuant to which GT Distribution transferred all of its rights and interest in the Noble forklift product line (the "Product Line") to the Company in exchange for the discharge of obligations and trade payables of GT Distribution and certain of its subsidiaries totaling \$4,219 and assumption by the Company of certain liabilities associated with the Product Line. David J. Langevin, the Company's Chairman and Chief Executive Officer, has a significant ownership interest in GT Distribution. As a result, the Company received a fairness opinion from an independent financial advisor and the approval of a special independent committee of the Company's board of directors prior entering into this transaction.

The receivable from GT Distribution was reduced from \$4,722 to \$4,144 during the quarter ended March 31, 2007, a decrease of \$578. During the quarter ended March 31, 2007, GT Distribution sold inventory to the Company. During the first quarter of 2007, it was agreed that the payable for certain inventory totaling \$462 sold to the Company in the first quarter of 2007 and which was still inventory at March 31, 2007 would be offset against the receivable the Company has from GT Distribution. Additionally, a payable in the amount of \$116 that the Company had to GT Distribution was offset against the receivable the Company had from GT Distribution. The Statement of Cash Flow for September 30, 2007 excludes the \$578 decrease in the related party receivable, the \$462 increase in inventory and the \$116 decrease in accounts payable as these items are non-cash transactions.

As of September 30, 2008, the Company had \$480 outstanding accounts receivable from GT Distribution and \$82 outstanding accounts payable due to GT. Additionally, the Company has a \$109 outstanding accounts receivable from LiftMaster, Inc. as of September 30, 2008.

The Company had a note payable to the former members of QVM for \$1,072 issued in connection with the acquisition of the membership interests of QVM. Upon the closing of such acquisition, Michael C. Azar, served as the Company's Vice President and Secretary and David Langevin served as the Company's Chief Executive Officer. In addition, three of the members of QVM, Michael Azar, David Langevin and Robert J. Skandalaris, owned 6.1%, 12.1% and 12.1%, respectively, of the Company's outstanding common stock at such time.

On May 2, 2008, the Company entered into an Exchange Agreement (the "Exchange Agreement") with Michael Azar, David Langevin, Robert Skandalaris, Lubomir Litchev, Patrick Flynn, and Michael Hull (the "Holders"), and Michael Azar, as the "Holders' Representative." The Exchange Agreement was entered into in connection with a Non-Negotiable Subordinated Promissory Note (the "Note"), dated July 3, 2006, which was entered into in connection with the Company's acquisition of the membership interests of Quantum Value Management, LLC in the amount of \$1,072. Under the agreement the Company issued 211,074 shares of common stock and the note was cancelled. The terms of the Exchange Agreement also provide the Holders with "piggy-back" registration rights for the shares issued to them pursuant to the Exchange Agreement.

David Langevin is currently the Company's Chairman and Chief Executive Officer. Due to the related-party aspect of this transaction, the Exchange Agreement and the transactions contemplated by the Exchange Agreement were approved by the Audit Committee of the Company's Board of Directors.

The Company has a note payable to the former owners of Liftking Industries, Inc. for \$1,691 (US) issued in connection with the acquisition of Liftking Industries ULC. It was determined subsequent to the acquisition, that the note would be a related party transaction since Manitex Liftking's President is a relative of the primary holder of the note.

16. Restructuring Expenses

The Company is currently evaluating the manufacturing processes at its Manitex Liftking facility. Our objective is to improve production efficiencies and to lower our costs. The review initiative, however, is still in the early stages and substantive benefits that may be derived are still in the future. An evaluation of the current staffing has been completed. As result, the workforce was reduced by 26 employees to align the size of our workforce to our current production requirements. In connections with the reduction in force, the Company was required to pay terminated employees \$236 in severance, which has been included in operating expense and is shown in the income statement on a line entitled "restructuring expenses".

17. Income Taxes

The Company's provision for income taxes consists of U.S. and foreign taxes in amounts necessary to align the Company's year-to-date tax provision with the effective rate that the Company expects to achieve for the full year. Each quarter the Company updates its estimate of the annual effective tax rate, and if its estimated tax rate changes it will make a cumulative adjustment. The 2008 annual effective tax rate is estimated to be approximately 7.3% (which includes U.S., state and local and foreign taxes) based upon the Company's anticipated earnings both in the U.S. and in foreign jurisdictions.

For the three months ended September 30, 2008, the Company recorded an income tax provision of \$29 which consisted primarily of anticipated federal alternative minimum tax, current year state and local tax and foreign taxes. For the three months ended September 30, 2007, the Company recorded a tax benefit of \$(67) which consisted primarily of anticipated federal alternative minimum tax, current year state and local tax and foreign taxes. A benefit was recorded for the three months ended September 30, 2007 as the impact of lowering the effective tax rate from 27.4% to 9.3% more than offset the provision for income taxes on the quarter's earnings.

For the nine months ended September 30, 2008, the Company recorded an income tax benefit of \$367 which consisted primarily of anticipated federal alternative minimum tax, current year state and local tax and foreign taxes offset by a discrete item related to the recognition of a deferred tax asset for the Texas Temporary Margin Tax Credit as a result of a resolution of an income tax examination. For nine months ended September 30, 2007, the Company recorded a tax provision of \$147 which consisted primarily of anticipated federal alternative minimum tax, current year state and local tax and foreign taxes.

The Company adopted FIN 48 effective January 1, 2007 and had no material unrecognized tax benefits as of the adoption date. The Company's total unrecognized tax benefits as of September 30, 2008 were approximately \$260 which, if recognized, would affect the Company's effective tax rate. As of September 30, 2008, the Company had accrued immaterial amounts for the potential payment of interest and penalties.

18. Subsequent events

Asset Purchase Agreement and Restructuring Agreement

Purchase Agreement

On October 6, 2008, the "Company completed the acquisition of substantially all of the assets of Schaeff Lift Truck Inc. ("Schaeff") and Crane & Machinery, Inc. ("Crane," together with Schaeff, the "Sellers") pursuant to an Asset Purchase Agreement (the "Purchase Agreement") with the Sellers and their parent company, GT Distribution, LLC ("GT"). In exchange for the assets described in the Purchase Agreement, the Company assumed certain liabilities of the Sellers and issued an aggregate of 108,402 shares of the Company's common stock to the members of GT, including the Company's Chairman and Chief Executive Officer, David J. Langevin. Mr. Langevin owns 38.8% of the membership interests of GT. Due to the related-party aspects of this transaction, the Purchase Agreement and the transactions contemplated thereby were approved by a committee of the Company's independent Directors (the "Special Committee") and the Audit Committee of the Company's Board of Directors. The Special Committee also received a fairness opinion from an independent financial advisory firm that the consideration to be paid by the Company pursuant to the Purchase Agreement to acquire the Sellers' assets and liabilities, including the shares of the Company's common stock issued pursuant to the Restructuring Agreement (as defined below), is fair from a financial point of view.

Restructuring Agreement

In connection with the purchase of substantially all of the assets of the Sellers, the Company agreed to assist the Sellers and GT in restructuring certain debt owed to Terex Corporation ("Terex"). Accordingly, on October 6, 2008, the Company entered into a Restructuring Agreement (the "Restructuring Agreement") with Terex and Crane pursuant to which the Company agreed to: (1) execute and deliver to Terex a promissory note in favor of Terex in the amount of \$2,000,000 (the "Term Note"), (2) issue 160,976 shares of the Company's common stock to Terex

(the “Stock Consideration”), and (3) provide Terex with piggyback registration rights through the simultaneous execution of a piggyback registration rights agreement between Terex and the Company (the “Registration Rights Agreement”). In addition, Crane executed a Security Agreement to Terex granting Terex a lien on and security interest in all of the assets of Crane (the “Security Agreement”). In consideration of the foregoing, Terex agreed to surrender and cancel, effective the date the foregoing obligations are satisfied, a certain interest in the nature of equity valued at \$5,495,000.

Under the Term Note (also dated October 6, 2008), the Company is obligated to make annual principal payments to Terex of \$250,000 commencing on March 1, 2009 and on each year thereafter through March 1, 2016. So long as the Company’s common stock is listed for trading on the NASDAQ or another national stock exchange, the Company may opt to pay up to \$150,000 of each annual principal payment in shares of the Company’s common stock having a market value of \$150,000. The maturity date of the Term Note is November 10, 2016. Accrued interest under the Term Note will be payable quarterly commencing on January 1, 2009. The unpaid principal balance of the Term Note will bear interest at 6% per annum (the “Note Rate”). The Term Note is secured by the collateral granted to Terex under the terms of the Security Agreement described below.

Upon an event of default under the Term Note, Terex may elect, among other things, to accelerate the Company’s indebtedness thereunder. The Term Note contains customary events of default, including (1) the Company’s failure to pay principal and interest when due, (2) events of bankruptcy, (3) cross-defaults under the Restructuring Agreement and other indebtedness, (4) judgment defaults and (5) a change in control of the Company.

Summary of Aggregate Consideration Paid

The assets of Crane and Schaeff were acquired for consideration of approximately \$3,617, in the aggregate which consisted of 269,378 shares of the Company’s common stock with a value of approximately \$867, a Term Note for \$2,000 and \$750 to pay the balance outstanding under Schaeff’s line of credit.

Shareholders’ Rights Plan

On October 17, 2008, the Board of Directors of Manitex International, Inc. (the “Company”) declared a dividend of one preferred share purchase right (a “Right”) for each outstanding share of common stock, no par value (“Common Shares”), of the Company. The dividend is payable upon the close of business on October 31, 2008 to the shareholders of record upon the close of business on October 21, 2008 (the “Record Date”). Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series A Junior Participating Preferred Stock, no par value (“Preferred Shares”), of the Company, at a price of \$35.00 per one one-hundredth of a Preferred Share, subject to adjustment (the “Purchase Price”).

The rights are not currently exercisable, but would become exercisable if certain events occur relating to a person or group acquiring or attempting to acquire 15% (or, in the case of certain holders, 30%) (“Acquirer”) or more of our outstanding Common Shares. Each holder of a Right, except for the Acquirer (or as otherwise provided in the Rights Agreement) will thereafter have the right to receive upon exercise that number of Common Shares (or, in certain circumstances, cash, property or other securities of the Company or a reduction in the Purchase Price) having a market value of two times the then current Purchase Price.

The rights expire on October 17, 2018, unless redeemed or exchanged by the Company earlier.

Item 2: Management’s Discussion and Analysis of Financial Condition and Results of Operations

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements relating to future events and the future performance of the Company within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements regarding the Company’s expectations, beliefs, intentions or future strategies that are signified by the words “expects,” “anticipates,” “intends,” “believes” or similar language. Our actual results may differ materially from information contained in these forward looking-statements for many reasons, including those described below and in our 2007 Annual Report on Form 10-K in the section entitled “Item 1A. Risk Factors,”

- (1) difficulties in implementing new systems, integrating acquired businesses, managing anticipated growth, and responding to technological change;
- (2) our ability to negotiate extensions of our current credit agreements and to obtain additional debt or equity financing when needed;
- (3) the cyclical nature of the markets we operate in;

- (4) increases in interest rates;
- (5) government spending, fluctuations in the construction industry, and capital expenditures in the oil and gas industry;
- (6) Some of our customers rely on financing with third party to purchase our products.
- (7) the performance of our competitors;
- (8) shortages in supplies and raw materials or increases in costs of materials;
- (9) our level of indebtedness and ability to meet financial covenants required by our debt agreements;
- (10) product liability claims, intellectual property claims, and other liabilities;
- (11) the volatility of our stock price;
- (12) the willingness of our stockholders and directors to approve mergers, acquisitions, and other business transactions;
- (13) currency transaction (foreign exchange) risk and the risks related to forward currency contracts; and
- (14) certain provisions of the Michigan Business Corporation Act and the Company's Articles of Incorporation, amended, and Amended and Restated Bylaws, and The Company's Rights Agreement may discourage or prevent a change in control of the Company.

The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results. We do not undertake, and expressly disclaim, any obligation to update this forward-looking information, except as required under applicable law.

OVERVIEW

The Company is a leading provider of engineered lifting solutions. The Company designs, manufactures and distributes a diverse group of products that serve different functions and are used in a variety of industries. Through its Manitex subsidiary, the Company markets a comprehensive line of boom trucks and sign cranes. Manitex's boom trucks and crane products are primarily used for industrial projects, energy exploration and infrastructure development, including, roads, bridges and commercial construction. The Manitex Liftking subsidiary sells a complete line of rough terrain forklifts and special mission oriented vehicles, as well as other specialized carriers, heavy material handling transporters and steel mill equipment. Manitex Liftking's rough terrain forklifts are used in both commercial and military applications. Specialty mission oriented vehicles and specialized carriers are designed and built to meet the Company's unique customer needs and requirements. The Company's specialized lifting equipment has met the particular needs of customers in various industries that include utility, ship building and steel mill industries. All financial data is in millions, except for share data and where otherwise indicated.

Discontinued Operations

Historically, the Company also designed, developed, and built specialty testing and assembly equipment for the automotive and heavy equipment industries that identifies defects through the use of signature analysis and in-process verification. Against the background of the operating losses generated in recent history by this segment, the Company conducted a strategic review of these operations. On March 29, 2007, our Board of Directors approved a plan to sell our Testing and Assembly Equipment segment's operating assets, which were based in Wixom, Michigan, including its inventory, machinery, equipments and patents. As a result, our Testing and Assembly Equipment segment has been accounted for as a discontinued operation starting with the first quarter of 2007 until its disposition.

On August 1, 2007, the assets used in connection with the Company's diesel engine testing equipment were sold to EuroMaint Industry, Inc., a Delaware corporation ("EuroMaint"). Under the terms of the Asset Purchase Agreement, the Company received \$1.1 million plus EuroMaint assumed certain of the Company's liabilities. As of August 31, 2007, all operations of the former Testing and Assembly Equipment segment had ceased. As a result of discontinuing our former Testing and Assembly Equipment segment, the Company again operates in only a single business segment, Lifting Equipment.

Summary of Recent Acquisitions

Effective July 3, 2006, the Company completed the purchase of Manitex, Inc. ("Manitex") via an acquisition of all of the membership interests in Quantum Value Management, LLC (an entity owned by certain stockholders of the

Company). On November 30, 2006, the Company, through its wholly owned subsidiary, Manitex Liftking, ULC, an Alberta unlimited liability corporation (“Manitex Liftking”), completed the acquisition (the “Liftking Acquisition”) of all of the operating assets of Liftking Industries, Inc., an Ontario, Canada corporation (“Liftking”). As the result of these two acquisitions, the Company is a leading provider of engineered lifting solutions including boom truck cranes, rough terrain forklifts and special mission oriented vehicles. Through the Company’s Manitex subsidiary, it markets a comprehensive line of boom trucks and sign cranes. The Company’s boom trucks and crane products are primarily used for industrial projects, energy exploration and infrastructure development, including roads, bridges and commercial construction. Through the Company’s Manitex Liftking subsidiary, it sells a complete line of rough terrain forklifts and special mission oriented vehicles, as well as other specialized carriers, heavy material handling transporters and steel mill equipment. Manitex Liftking’s rough terrain forklifts are used in both commercial and military applications. On July 31, 2007, the Company completed the purchase of all the Noble Forklift Product Line assets (the “Product Line”) from GT Distribution, LLC (“GT Distribution”), a related party. The Noble product line, which is comprised of four rough terrain forklifts in several configurations, is being produced in our two current production facilities located in Woodbridge, Ontario and Georgetown, Texas. (See Note 4 to the Company’s consolidated financial statements for further details regarding the Noble Product Line acquisition)

The financial results for these acquisitions are included in the accompanying consolidated statement of operations from the date of the respective acquisition.

Factors Affecting Revenues and Gross Profit

The Company derives most of its revenue from purchase orders from dealers and distributors. The demand for the Company’s products depends upon the general economic conditions of the markets in which the Company competes. The Company’s sales depend in part upon its customers’ replacement or repair cycles. Adverse economic conditions, including a decrease in commodity prices, may cause customers to forego or postpone new purchases in favor of repairing existing machinery. Additionally, our Manitex Liftking subsidiary revenues are impacted by the timing of orders received for military forklifts and residential housing starts.

Gross profit varies from period to period. Factors that affect gross profit include product mix, production levels and cost of raw materials, including the price of steel. Material prices have been increasing recently. Margins tend to increase when production is skewed towards larger capacity cranes, special mission oriented vehicles, specialized carriers and heavy material transporters.

A significant portion of our sales are financed by financial institutions on behalf of our customers. The availability of financing by third parties is affected by general economic conditions, the credit worthiness of our customers and the estimated residual value of our equipment. Given the current economic conditions and the lack of liquidity in the global credit markets, there can be no assurance that finance companies will continue to extend credit to our customers or their customers as they have in the past. Given the lack of liquidity, our customers may have difficulty selling units that they may have in their inventory. Historically, our customers have placed significant orders in the fourth quarter of the year. There is currently significant uncertainty as to future orders or what our backlog will be going into the new year. This uncertainty is likely to remain until the current liquidity crisis has resolved itself and there is more information on the general state of the economy.

Recent Developments

On October 6, 2008, the Company completed the acquisition of substantially all of the assets of Schaeff Lift Truck Inc. (“Schaeff”) and Crane & Machinery, Inc. (“Crane,” together with Schaeff, the “Sellers”) pursuant to an Asset Purchase Agreement (the “Purchase Agreement”) with the Sellers and their parent company, GT Distribution, LLC. Results for Crane and Schaeff will be included in the company’s financial statement starting on the date of acquisition, October 6, 2008. As such, Crane and Schaeff results are not included in September 30, 2008 financial statements.

Results of Operations

The following discussion considers:

- Net income for the three and nine month periods ended September 30, 2008 and 2007.
- Results of the continuing operations for the three and nine month periods ended September 30, 2008 and 2007.
- Results of the discontinued operations for the nine month periods ended September 30, 2008 and 2007.

Three Months Ended September 30, 2008 Compared to Three Months Ended September 30, 2007

Net Income for the three month periods ended September 30, 2008 and 2007

The Company reported net income and net income from continuing operations of \$0.3 million for the three months ended September 30, 2008.

The Company reported a net income of \$0.9 million for the three months ended September 30, 2007, consisting of a net income from continuing operations of \$0.9 million, a loss from discontinued operations of \$(0.2) million and income of \$0.2 million on the sale and closure of our Testing and Assembly Equipment segment.

Results of the continuing operations for the three month periods ended September 30, 2008 and 2007

For the three months ended September 30, 2008, net income from continuing operations was \$0.3 million, which consists of revenue of \$28.5 million, cost of sales of \$24.3 million, research and development costs of \$0.2 million, SG&A costs (excluding corporate expenses and restructuring expense) of \$2.3 million, corporate SG&A expenses of \$0.6 million, restructuring expenses of \$0.2 million, net interest expense of \$0.5 million, foreign currency loss of \$0.1 million and income tax expense of \$0.03 million.

For the three months ended September 30, 2007, net income from continuing operations was \$0.9 million, which consists of revenue of \$26.6 million, cost of sales of \$21.6 million, research and development costs of \$0.2 million, SG&A costs (excluding corporate expenses) of \$2.1 million, Corporate SG&A expenses of \$0.8 million, a foreign currency transaction loss of \$0.2 million, interest expense of \$0.9, and income tax benefit of \$0.1 million.

Net Revenues and Gross Profit – For the three months ended September 30, 2008, net revenues and gross profit were \$28.5 million and \$4.2 million, respectively. Gross profit as a percentage of net revenue was 14.7% for the three months ended September 30, 2008. For the three months ended September 30, 2007 net revenues and gross profit were \$26.6 million and \$5.0 million, respectively. Gross profit as a percentage of revenue was 18.8% for the three months ended September 30, 2007.

Net revenues increased \$1.9 million to \$28.5 million for the three months ended September 30, 2008 from \$26.6 million for the comparable three month period in 2007. The increase in net revenue is due to an increase in crane sales of \$2.7 million which was offset by a decrease of \$0.8 million in forklift/specialized carrier revenues. Approximately 60% of increase in crane revenues is attributed to an increase in chassis sales. The remaining increase is the result of an increase in both part sales and crane revenues (excluding chassis). The Company builds cranes on chassis supplied by the customer or by the Company. The increase in chassis sales is the result of a substantial sales increase to a particular distributor, who has elected to have Manitex supply the chassis. The decrease in forklift/specialized carrier revenue is due to a significant drop in demand for rough terrain commercial forklift. The decrease in demand for rough terrain forklifts is the result of the slowing North American economy.

Crane sales have remained strong as the decrease in sales of cranes with lower lifting capacity have been more than offset by sales of cranes with higher lifting capacity, particularly cranes with lifting capacity above 40 tons. The sales of the higher capacity cranes have remained strong because they are being employed in sectors which have been thriving, principally oil and gas exploration and mining. To date our 45 and 50 ton cranes have faced competition from truck cranes but no significant competition from other boom truck manufactures. The boom truck has both an initial price advantage and a lower cost of operation.

Our gross profit as a percent of net sales decreased, declining 4.1% to 14.7% for the three months ended September 30, 2008 from 18.8% for the comparable 2007 period. An improvement in margins for forklift/specialized carriers had the effect of increasing total Company gross profit percent by approximately 1%. This positive effect was more than offset by a decrease in gross profit percent for our crane products. The improvement in forklift/specialized carrier gross profit percent is the result of recent restructuring activities and the elimination of start-up inefficiencies for the Noble product line (acquired on July 31, 2007) which we incurred last year. A strengthening Canadian dollar in 2007 also had an adverse impact on the prior year margin percent for U.S. dollar sales.

The decrease in gross margin percent for crane product is primarily the result of increased material costs, which were not offset by sourcing materials from lower cost countries or by increases in the sale of cranes with higher lifting capacity (which have higher gross margins). Additionally, the increase in sale of chassis, which only have a small mark-up, had the impact of decreasing overall gross profit percent by 0.5%. The Company has instituted a 4 to 5% surcharge on cranes shipped starting in late October to offset the recent increase in material price.

Restructuring expenses – The Company is currently evaluating the manufacturing processes at its Manitex Liftking facility. Our objective is to improve production efficiencies and to lower our costs. The review initiative, however, is still in the early stages and substantive benefits that may be derived are still in the future. An evaluation of the

current staffing has been completed. As result, the workforce was reduced by 26 employees to align the size of our workforce to our current production requirements. In connections with the reduction in force, the Company was required to pay terminated employees \$0.2 million in severance, which has been included in operating expense and is shown in the income statement on a line entitled “restructuring expenses”.

Selling, general and administrative expense – Selling, general and administrative expense was \$2.9 million for both the three months ended September 30, 2008 and 2007. Selling, general and administrative expense for the three months ended September 30, 2008 are comprised of corporate expense of \$0.6 million and \$2.3 million related to operating companies. Selling, general and administrative expense for the three months ended September 30, 2007 are comprised of corporate expense of \$0.8 million and \$2.1 million related to operating companies.

Selling, general and administrative expense, excluding corporate expenses, increased \$0.2 million to \$2.3 million for the three months ended September 30, 2008 from \$2.1 million for the comparable three month period in 2007. The increase in selling, general and administrative expense is due to modest variances both favorable and unfavorable on numerous lines items that net to a \$0.2 million increase.

Corporate expenses decreased \$0.2 million to \$0.6 million for the three months ended September 30, 2008 from the \$0.8 million for the comparable 2007 three month period. The decrease is principally attributed to lower legal and consulting expenses. Legal expenses were higher in 2007 as they were incurred in conjunction with the SEC review of the S-3 Registration Statement, which was filed on December 21, 2006 and declared effective on September 7, 2007. Consulting expenses were higher in 2007 as a consultant was assisting the Company in meeting its initial year Sarbanes Oxley obligations.

Operating income – Operating income from continuing operations of \$0.9 million for the three months ended September 30, 2008 was equivalent to 3.1% of net revenues compared to an operating income of \$1.9 million for the three months ended September 30, 2007 or 7.0% of net revenues. The decrease in operating income as percent of net revenues is due principally to the decrease in the Company’s gross profit percent.

Interest expense – Interest expense was \$0.5 million and \$0.9 million for the three months ended September 30, 2008 and 2007, respectively. The decrease in interest is due to a decrease in average outstanding debt for the three months ended September 30, 2008 versus the three months ended September 30, 2007 and lower interest rates. Although outstanding debt was \$26.2 million at both September 30, 2008 and 2007, the average for the three months ended September 30, 2007 was considerable higher. On September 10, 2007, the Company closed a \$9.0 million private placement of its common stock. The Company’s net cash proceeds after fees and expenses were \$8.2 million and were used to reduce the Company’s outstanding debt. As indicated the Company also benefited from lower interest rates as a significant portion of our debt is indexed to the prime rate. The prime rate decreased from 7.75% at September 30, 2007 to 5.00% at September 30, 2008. Due to the improved financial strength of the Company our bank has agreed to further lower the interest rate on our domestic line of credit from prime plus 0.75% to prime plus 0.25%. and on our the Canadian line from Canadian prime plus 2.0% to Canadian prime plus 1.5% for Canadian dollar borrowings.

Foreign currency transaction loss – As a result of the currency losses incurred in the second quarter 2007, the Company investigated ways to mitigate future foreign currency risk. As a result, the Company began purchasing forward exchange contracts beginning in September of 2007. The Company endeavors to purchase forward currency exchange contracts such that the exchange gains and losses on the assets and liabilities denominated in other than the reporting units’ functional currency will be offset by the changes in the market value of the forward currency exchange contracts it holds. In accordance with FAS No. 52, the Company records at the balance sheet date the forward currency exchange contracts at their market value with any associated gain or loss being recorded in current earnings as a currency gain or loss. For the three months ended September 30, 2008, the Company had a foreign currency transaction loss of \$0.1 million which is net of forward currency exchange contracts gains and losses.

The foreign currency transaction loss for the three months ended September 30 2007 was \$0.2 million. The foreign currency loss was driven by the continuing unusual strengthening of the Canadian dollar during the three months ended September 30, 2007, when the U.S. to Canadian dollar exchange rate changed from .9404 to 1.0037. The Company issued a note payable for \$2.6 million to the former owner of Liftking Industries in connection with its acquisition, which is denominated in Canadian dollars. The Company recorded a foreign exchange loss of \$0.2 million for the three months ended September 30, 2007 related to this note. Additionally during the three months ended September 30, 2007, Manitex Liftking, our Canadian subsidiary, had significant sales which were denominated in US dollars and which on settlement generated or will generate a transaction loss of \$0.2 million. A gain of \$0.2 million on the forward currency exchange contracts held by the Company offsets the aforementioned transaction losses.

The exchange losses were principally incurred before the Company entered into the forward currency exchange contracts in early September 2007. The decision to enter into forward currency exchange contracts was the result of an investigation into methods that could be used to reduce foreign currency risk and was in response to the currency losses incurred in the second quarter 2007. Historically the USD / CDN\$ exchange rate has not seen such volatility in a short time period and therefore, the Company had not previously taken any action to mitigate its foreign exchange exposures.

Income tax – The income tax expense for the three months ended September 30, 2008 was \$0.03 million. The Company recorded an income tax benefit for the three months ended September 30, 2007 of \$0.07 million. The provision for income tax for the three months ended September 30, 2008 consisted primarily of anticipated federal alternative minimum tax, current year state and local tax and foreign taxes. For the three months ended September 30, 2007, the Company recorded a tax benefit of which consisted primarily of anticipated federal alternative minimum tax, current year state and local tax and foreign taxes. A benefit was recorded for the three months ended September 30, 2007 as the impact of lowering the effective tax rate from 27.4% to 9.3% more than offset the provision for income taxes on the quarter's earnings.

Net income from continuing operations – Net income from continuing operations decreased \$0.6 million to \$0.3 million for the three months ended September 30, 2008 from \$0.9 million for the three months ended September 30, 2007 for the reasons described above.

Discontinued operations of the Testing and Assembly Equipment segment for the three month periods ended September 30, 2007

The net loss from discontinued operations for the three months ended September 30, 2007 of \$0.2 million is comprised of costs of sales of \$0.2 million, operating expenses of \$0.2 million offset by revenue of \$0.2 million.

During the three month period ended September 30, 2007, the Company recorded a gain of \$0.2 million related to closure or discontinuation of operations, which is principally related to gain on the sale of asset.

There was no activity related to discontinued operations for the three months ended September 30, 2008.

Nine Months Ended September 30, 2008 Compared to Nine Months Ended September 30, 2007

Net Income for the nine month periods ended September 30, 2008 and 2007

The net income of \$1.9 million reported for the nine month period ended September 30, 2008 consists of net income from continuing operations of \$1.5 million, income from discontinued operations of \$0.2 million and a gain on sale of discontinued operations of \$0.2 million. The Company reported a net income of \$0.2 million for the nine months ended September 30, 2007, consisting of a net income from continuing operations of \$1.4 million and a loss from discontinued operations of \$(1.2) million and an expected loss on sale of discontinued operations of \$(0.05) million.

Results of the continuing operations for the nine month periods ended September 30, 2008 and 2007

For the nine months ended September 30, 2008, net income from continuing operations was \$1.5 million, which consists of revenue of \$78.5 million, cost of sales of \$65.6 million, research and development costs of \$0.7 million, SG&A costs excluding corporate expenses of \$7.1 million, Corporate SG&A expenses of \$2.3 million, restructuring expenses of \$0.2 million, net interest expense of \$1.5 million, and an income tax benefit of \$(0.4) million.

For the nine months ended September 30, 2007, net income from continuing operations was \$1.4 million, which consists of revenue of \$79.7 million, cost of sales of \$64.7 million, research and development costs of \$0.6 million, SG&A costs excluding corporate expenses of \$6.8 million, Corporate SG&A expenses of \$2.7 million, net interest expense of \$2.8 million, a foreign currency transaction loss of \$0.7 million, other income of \$0.1 million and income tax expense of \$0.1 million.

Net Revenues and Gross Profit – For the nine months ended September 30, 2008, net revenues and gross profit were \$78.5 million and \$12.9 million, respectively. Gross profit as a percent of net revenues was 16.5% for the nine months ended September 30, 2008. For the nine months ended September 30, 2007, net revenues and gross profit were \$79.7 million and \$15.0 million, respectively. Gross profit as a percent of net revenues was 18.9% for the nine months ended September 30, 2007.

Net revenues decreased \$1.1 million to \$78.5 million for the nine months ended September 30, 2008 from \$79.7 million for the comparable nine month period in 2007. The decrease in revenues is entirely due to a decrease in rough terrain forklift/specialized carrier product line revenues. The decrease in forklift/specialized carrier revenue is attributed to a decrease in military forklift and specialized carrier (transporter) sales offset by an increase in

commercial forklift sales. The increase in commercial sales is largely driven by the introduction of Noble rough terrain forklift product line. The Noble rough terrain product line was acquired on July 31, 2007. The decrease in military and specialized carrier sales is attributable to timing of orders, which have historically fluctuated from period to period. Crane sales for the nine months ended September 30, 2008 were up approximately 4% from the same period in the prior year. The increase in crane sales is attributed to a 15% increase in part sales and a modest increase in crane sales (excluding chassis).

Our gross profit as a percent of net revenues decreased, declining 2.4% to 16.5% for the nine months ended September 30, 2008 from 18.9% for the comparable 2007 period. The decreases in the gross profit percent is attributed to lower margins for both the crane and forklift/specialized carriers product lines. The decrease in the gross margin percent for forklift/specialized carriers was approximately 0.5% more than it was for our crane products.

The forklift/specialized carrier product line margin as percentage of net revenue decreased due to a change in product mix and the negative impact that a stronger Canadian dollar had on our margins. Higher margin military and specialized carrier sales were down approximately 70% from the prior year. The margin percent on 2008 military sales was also lower than the prior year due to the impact of the stronger Canadian dollar. As indicated above the increase in commercial sales is largely attributed to Noble rough terrain forklifts sales. Noble product line margins for the first six months were below our typical margin levels, due to inefficiencies experienced in incorporating this new line and because these sales generally did not reflect an announced price increase. A restructuring initiative that occurred early in the third quarter and the elimination of start-up of inefficiencies for the Noble product line and weakening of the Canadian dollar that occurred in the third quarter of 2008 had a positive impact.

Through the second quarter 2008, increases in material prices were largely offset by increases in the sale of cranes with higher lifting capacity (which have higher gross margins), the benefit of sourcing materials from lower cost countries, a price increase that was instituted in mid year 2007 and an improvement in production efficiencies.

In June, the Company announced its annual price increases for all new orders received on or after July 1st. The Company continued to honor old prices on its existing backlog. As such, the benefit from the price increase was not expected to occur until late this year or early next.

Although we had seen material price increases over the first half of the year, these were not nearly of the magnitude that we saw starting late in the second quarter and into the third quarter. It became clear during the third quarter that these rapidly accelerating material price increases were going to adversely impact the Company's margins. To offset the effect of the price increases, the Company has instituted a 4 to 5% surcharge on cranes shipped starting in late October.

Restructuring expenses – The Company is currently evaluating the manufacturing processes at its Manitex Liftking facility. Our objective is to improve production efficiencies and to lower our costs. The review initiative, however, is still in the early stages and substantive benefits that may be derived are still in the future. An evaluation of the current staffing has been completed. As result, the workforce was reduced by 26 employees to align the size of our workforce to our current production requirements. In connections with the reduction in force, the Company was required to pay terminated employees \$0.2 million in severance, which has been included in operating expense and is shown in the income statement on a line entitled “restructuring expenses”.

Selling, general and administrative expense – Selling, general and administrative expense for the nine months ended September 30, 2008 was \$9.4 million compared to \$ 9.6 million for the comparable period in 2007. Selling, general and administrative expense for the nine months ended September 30, 2008 are comprised of corporate expense of \$2.3 million and \$7.1 million related to operating companies. Selling, general and administrative expense for the nine months ended September 30, 2007 are comprised of corporate expense of \$2.7 million and \$6.8 million related to operating companies.

Selling, general and administrative expense, excluding corporate expenses increased \$0.3 million to \$7.1 million for the nine months ended September 30, 2008 from \$6.8 million for the comparable nine month period in 2007. The increase is principally due to an increase in selling expenses for our Manitex subsidiary. The increase is principally related to costs associated with participating in the Con Expo trade show in March 2008. The Con Expo show, which is held every three years, was held in Las Vegas from March 11 to March 15, 2008. This show is an international gathering place for the construction industries. It is estimated that 125,000 professionals from around the world attended the show. Modest variances in a number of other line items offset each other.

Corporate expenses decreased \$0.4 million to \$2.3 million for the nine months ended September 30, 2008 from \$2.7 million for the comparable nine month period in 2007. The decrease is principally attributed to a decrease in consulting expenses and legal fees. Legal expenses were higher in 2007 as they were incurred in conjunction with

the SEC review of the S-3 Registration Statement, which was filed on December 21, 2006 and declared effective on September 7, 2007. Consulting expenses were higher in 2007 as a consultant was assisting the Company in meeting its initial year Sarbanes Oxley obligations.

Operating income – Operating income from continuing operations of \$2.7 million for the nine months ended September 30, 2008 was equivalent to 3.4% of net revenues compared to an operating income of \$4.9 million for the nine months ended September 30, 2007 or 6.1% of net revenues. The decrease in operating income as percentage of net revenues is primarily due to a decrease of 2.4% in the gross margin percentage. Restructuring charges in Manitex Liftking facility of \$0.2 million accounted for approximately 0.3% of the decrease in operating income as a percentage of net revenues. A net decrease in research & development expense and selling, general & administrative expenses of \$0.1 million offset the effect of a lower gross profit percent by approximately 0.1%.

Interest expense – Interest expense was \$1.5 million and \$2.8 million for the nine months ended September 30, 2008 and 2007, respectively. The decrease in interest is due to a decrease in average outstanding debt for the nine months ended September 30, 2008 versus nine months ended September 30, 2007 and lower interest rates. Although outstanding debt was \$26.2 million at both September 30, 2008 and 2007, the average for the nine months ended September 30, 2007 was considerable higher. On September 10, 2007, the Company closed a \$9.0 million private placement of its common stock. The Company's net cash proceeds after fees and expenses were \$8.2 million, and were used to reduce the Company's outstanding debt. As indicated the Company also benefited from lower interest rates as a significant portion of our debt is indexed to the prime rate. The prime rate decreased from 7.75% at September 30, 2007 to 5.00% at September 30, 2008. Due to the improved financial strength of the Company our bank has agreed to further lower the interest rate on our domestic line of credit from prime plus 0.75% to prime plus 0.25%. and on our Canadian line from Canadian prime plus 2.0% to Canadian prime plus 1.5% for Canadian dollar borrowings.

Foreign currency transaction loss – As a result of the currency losses incurred in the second quarter 2007, the Company investigated ways to mitigate future foreign currency risk. As a result, the Company began purchasing forward exchange contracts beginning in September of 2007. The Company endeavors to purchase forward currency exchange contracts such that the exchange gains and losses on the assets and liabilities denominated in other than the reporting units' functional currency will be offset by the changes in the market value of the forward currency exchange contracts it holds. In accordance with FAS No. 52, the Company records at the balance sheet date the forward currency exchange contracts at their market value with any associated gain or loss being recorded in current earnings as a currency gain or loss. For the nine months ended September 30, 2008, the Company had a foreign currency transactions loss of \$0.1 million which is net of forward currency contracts gains and losses.

The foreign currency transaction loss for the nine months ended September 30, 2007 was \$0.7 million. The foreign currency loss was driven by a historically unusual strengthening of the Canadian dollar during the six months ended September 30, 2007, when the U.S. to Canadian dollar exchange rate changed from .8674 to 1.0037. The Company has an acquisition note payable for \$2.6 million to the former owner of Liftking Industries, which is denominated in Canadian dollars. The Company recorded a foreign exchange loss of \$0.4 million for the nine months ended September 30, 2007 related to this note. Additionally during the nine months ended September 30, 2007, Manitex Liftking, the Company's Canadian subsidiary, had significant sales which were denominated in U.S. dollars and which on settlement generated or will generate a transaction loss of \$0.5 million. A gain of \$0.2 million on the forward currency exchange currency contracts held by the Company offsets the aforementioned transaction losses.

The exchange losses were principally incurred before the Company entered into the forward currency exchange contracts in early September 2007. The decision to enter into forward currency exchange contracts was the result of an investigation into methods that could be used to reduce foreign currency risk and was in response to the currency losses incurred in the second quarter 2007. Historically the USD / CDN\$ exchange rate has not seen such volatility in a short time period and the Company has not taken any action to mitigate its foreign exchange exposures

Income tax (benefit) – The income tax benefit for the nine months ended September 30, 2008 was \$(0.4) million. The income tax expense for the nine months ended September 30, 2007 was \$0.1 million. The 2008 effective tax rate differs from the federal statutory rate due to the current utilization of prior year losses for which no benefit was previously received and a tax benefit related to a discrete item for the recognition of a deferred tax asset for the Texas Temporary Margin Tax Credit as a result of a resolution of an income tax examination

Net income from continuing operations – Net income from continuing operations increased \$0.1 million to \$1.5 million for the nine months ended September 30, 2008 from \$1.4 million for the nine months ended September 30, 2007 for the reasons described above.

Discontinued operations of the Testing and Assembly Equipment segment for the nine month periods ended September 30, 2008 and 2007

For the nine months ended September 30, 2008, discontinued operations reported net income of \$0.2 million as compared to a loss of \$(1.2) million for the nine months ended September 30, 2007. Discontinued operations had income for the nine months ended September 30, 2008 resulting from the reversal of a \$0.1 million warranty reserve as it was determined that it was not needed and a \$0.1 million payment received related to the settlement of a contract dispute. The net loss from discontinued operations of \$(1.2) million for the nine months ended September 30, 2007 is comprised of costs of sales of \$1.6 million, and operating expenses of \$0.9 million offset by revenue of \$1.4 million.

During the nine months ended September 30, 2007, the Company established reserves of \$0.1 million to cover employee termination costs and \$0.2 million related to contracts terminations. Severance payments made to employees were offset against the \$0.1 million reserve. At September 30, 2007, the Company still had a \$0.2 million reserve for contract termination. In the third quarter of 2007, the Company recorded a gain of \$0.2 million related to closure or discontinuation of operations, which is principally related to gain on the sale of assets.

During the nine months ended September 30, 2008, the Company reversed the \$0.2 million reserve for termination of contracts, as it was determined that it was not needed.

Liquidity and Capital Resources

Cash and cash equivalents were \$0.2 million at September 30, 2008 compared to \$0.6 million at December 31, 2007. As of September 30, 2008, the Company had approximately \$3.9 million available to borrow under its credit facility with Comerica Bank. The interest rate on this facility was equal to prime plus .25 % (prime was 5.0% at September 30, 2008). The Company's revolving credit agreement contains customary limitations, including limitations on acquisitions, dividends, repurchases of the Company's stock and capital expenditures. It also requires the Company to have on the last date of the quarter a minimum "Tangible Effective Net Worth", which is defined in the agreement, and 1.2 to 1 Debt Service Coverage Ratio, also defined in the agreement. (See Note 13 to our consolidated financial statements for a more detailed on the terms and conditions of our credit facilities) This credit facility matures on April 1, 2010.

Additionally, the Company's Manitex Liftking subsidiary has a credit facility which allows for borrowings of up to \$4.5 (CDN) million as of September 30, 2008. At September 30, 2008, the Company had approximately \$1.5 million available to borrow under this Canadian facility. This credit facility allows the Company to borrow in either US or Canadian dollars. Canadian dollar borrowings bear interest at Canadian prime rate plus 1.5% (Canadian prime was 4.75% at September 30, 2008. Any borrowings under the facility in US dollars bears interest at the US prime rate (prime was 5.00% at September 30, 2008) plus .25%. For the purposes of determining availability under the credit line, borrowings in U.S. dollars are converted to Canadian dollar based on the most favorable spot exchange rate determined by the bank to be available to it at the relevant time.

The maximum amount outstanding is limited to the sum of 80% of eligible receivables and the lesser of 50% of eligible inventory or CDN \$2.5 million. The indebtedness is collateralized by substantially all of Manitex Liftking ULC's assets. This credit facility matures on April 1, 2010.

In connection with the Company's acquisition of Liftking Industries', the Company issued a note payable to the seller for CDN \$3.2 million, or approximately USD \$3.0 million. The note bears interest at the prime rate of interest charged by Comerica Bank for Canadian dollar loans plus 1%. The note requires quarterly principal payments of CDN \$0.2 million plus interest commencing on April 1, 2007. The note is collateralized by a second priority security interest in substantially all of the assets of the Company's Manitex Liftking subsidiary, which is subordinated to the security interest held by the Company's senior secured lender, Comerica Bank. The note has remaining unpaid balance as of September 30, 2008 of CDN \$1.8 million.

At September 30, 2008, the Company had a \$2.0 million note payable to Comerica Bank. This note was assumed by the Company in connection with its acquisition of Manitex. This note bears interest at the rate of prime plus 1% and matures on April 1, 2010. Until June 30, 2008 the Company was not required to make principal payments, but was required to make interest payments on the first day of each month. Commencing on July 1, 2008, the Company is also required to make monthly principal payments of \$0.05 million on the first day of each month. The bank has been granted security interest in substantially all the assets of the Company's Manitex subsidiary.

Subsequent to September 30, 2008 both the U.S. and the Canadian prime rates were lowered twice. The U.S. prime rate which was 5.0% at September 30, 2008 was lowered to 4.5% on October 8, 2008 and again to 4.0% on October 29, 2008. The Canadian prime rate which was 4.75% at September 30, 2008 was lowered to 4.25% on October 15,

2008 and again to 4.0% on October 22, 2008. Assuming interest rates are unchanged through December 31, 2008 and debt levels where the same as those outstanding at September 30, 2008 interest expense for the three months December 31, 2008 would decrease by approximately \$0.04 million from the prior quarter.

The Company's ability to meet its commitments and contractual obligations is dependent on the Company's ability to either negotiate extensions of its current credit agreements, replace the existing credit agreements with a new credit agreement with acceptable terms or to raise additional equity or debt financing. There is no assurance that the Company will be successful in renegotiating its current credit facilities or consummating additional financing transactions.

The Company needs cash to meet its working capital needs as the business grows, to acquire capital equipment, and to fund acquisitions and debt repayment. We intend to use cash flows from operations and existing availability under the current revolving credit facilities to fund anticipated levels of operations for approximately the next 12 months. We will likely need to raise additional capital through debt or equity financings to support our growth strategy, which may include additional acquisitions. There is no assurance that such financing will be available or, if available, on acceptable terms.

2008

Operating activities consumed cash of \$2.6 million for the nine months ended September 30, 2008. Net income of \$1.9 million and non-cash items that totaled \$1.2 million were offset by changes in assets and liabilities, which consumed \$5.6 million. The principal non-cash items are depreciation and amortization of \$1.5 million and stock based deferred compensation of \$0.2 million which is offset by \$0.5 increase in a deferred tax asset. An increase in accounts receivable of \$2.9 million, an increase in inventory of \$5.5 million, and a decrease in accruals of \$1.5 million in total consumed \$9.9 million of cash. Discontinued operations consumed an additional \$0.1 million of cash, the result of the reversal of accrual for contract terminations. Other changes, principally an increase in accounts payable of \$4.2 million generated cash of \$4.4 million.

The increase in accounts receivable is due to an increase in sales between the third quarter 2008 and fourth quarter 2007 of \$1.3 million and because days outstanding has increased by approximately two days. The increase in inventory (including the impact that changes in foreign currency exchange rates has on inventory at our Canadian subsidiary) is related to increases of \$2.4 million, \$0.2 million and \$2.9 million for raw materials, work in process and finished goods, respectively. Certain raw materials have long lead time. Raw material inventory increased as delivery dates on certain customer orders were delayed and materials for these orders were already in house or on order. The raw material inventory on hand on September 30, 2008 has also increased as a result of recent supplier price increases. Although the Company builds nearly all of its cranes against firm customer orders, it has and continues to build a few lower capacity cranes as well as sky cranes for stock. Traditionally these cranes have sold from inventory shortly after they were completed. The period to sell stock cranes has lengthened and as a result this inventory has increases since December 31, 2007. The Company also includes inventories of bare chassis as a component of finished goods. The chassis inventory has increased approximately \$1.3 million as the number of chassis in inventory has increased. The Company builds cranes on chassis supplied by the customer or by the Company. The increase in chassis inventory is largely the result of a substantial sales increase to a particular distributor, who has elected to have Manitex supply the chassis. The Company expects the chassis inventory to decline substantially in the fourth quarter. The Company is also reducing the number of cranes it is building for stock to further reduce inventory levels.

The decrease in accrued expenses is related to a decrease in accrued bonuses of \$1.0, accrued product liability of \$0.3 million and accrued warranty of \$0.2 million. The accrual for bonuses decreased as bonuses accrued at December 31, 2007 were paid during the first quarter and because the provision for 2008 bonuses is significantly lower than the prior year provision. The decrease in accrued product liability is principally the result of making settlement payments against amounts which were also accrued at December 31, 2007. The decrease in accrued warranty is in part due to benefits derived from new quality improvement process instituted during the year. As a result defects are prevented or are identified and corrected before shipment occurs and which in turn lowers warranty expenses. Additionally, a disputed warranty claim which was previously accrued for \$0.1 million was settled and paid. The increase in accounts payable is due to both an increase in inventory purchases and an increase in accounts payable days outstanding.

Cash flows related to investing activities consumed \$0.3 million for the nine months ended September 30, 2008. Capital expenditures of \$0.4 million were offset by proceeds on the sale of fixed assets of \$0.1 million. During the nine months the Company purchased and installed consolidation software which cost \$0.1 million. In addition, a number of fixed assets, none of which were individually significant, were purchased.

Financing activities generated \$2.4 million in cash for the nine months ended September 30, 2008. An increase of \$4.0 million in borrowings under the Company's credit facilities was a source of cash. The increase borrowings were offset by note payments and a reduction of capital lease obligations that totaled \$1.5 million.

2007

Operating activities generated cash of \$0.4 million for the nine months ended September 30, 2007. Net income of \$0.2 million and non-cash items that totaled \$2.0 million both sources of cash were partially offset by changes in assets and liabilities, which consumed \$1.9 million. The principal non-cash items are depreciation and amortization of \$1.6 million and an increase in inventory reserves of \$0.4 million. An increase in accounts receivable of \$1.1 million, a decrease in accounts payable of \$2.9 million, an increase in prepaid expense of \$0.2 million and a decrease in other current liabilities of \$0.4 million, in total consumed \$4.6 million of cash. A decrease in inventory of \$1.9 million (excluding inventory acquired in the Noble Product Line acquisition) and an increase in accrued expense of \$0.8 million generated cash of \$2.5 million. The increase in accounts receivable is the result of higher sales in the third quarter of 2007 versus the fourth quarter of 2006.

The decrease in inventory is principally related to a decrease in inventory at Manitex Liftking. Manitex Liftking had acquired inventory at year end to support the manufacture a number of large transporters, which were shipped during the second quarter. Although a decrease in inventory contributed to the decrease in accounts payable, the more significant cause for the decrease relates to the timing of payments. An improved cash position, allowed the Company to pay its vendors more promptly.

Investing activities generated \$1.1 million for the nine months ended September 30, 2007, which principally represents the proceeds from sale of the assets of the discontinued Testing and Assembly Equipment segment. The acquisition of Noble Product Line "(Noble)" assets was a non-cash transaction, in which the Company acquired the Noble assets in exchange for the forgiveness of \$4.2 million that GT Distribution owed the Company. As a non-cash transaction, the assets acquired and the forgiveness of the liability are both excluded from the cash flow statement. See Note 4 to the consolidated financial statements.

Financing activities consumed \$0.8 million in cash for the nine months ended September 30, 2007. An increase of \$0.8 million in borrowings under the Company's credit facilities, \$1.9 million from the exercise of warrants and \$8.3 million from the issuance of stock and warrants generated \$11.0 million of cash. Total debt was reduced by \$11.8 million as the note payable to the bank was reduced by \$11.5 million along with a decrease in capital lease obligations of \$0.3 million. The \$10.1 million from exercise of warrants and the issuance of stock and warrants and the \$1.1 million of proceeds received on the sale of assets of discontinued operations were the principal sources of funds used to pay down the bank note.

Contingencies

The Company is involved in various legal proceedings, including product liability and workers' compensation matters which have arisen in the normal course of operations. Certain cases are at a preliminary stage, and it is not possible to estimate the amount or timing of any cost to the Company. However, the Company does not believe that these contingencies, in aggregate, will have a material adverse effect on the Company.

Related Party Transactions

For a description of the Company's related party transactions, please see Note 15 to the Company's consolidated financial statements entitled "Transactions between the Company and Related Parties."

Critical Accounting Policies

See Item 7, Management's Discussion and Analysis of Results of Operations and Financial Condition in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, for a discussion of the Company's other critical accounting policies.

Impact of Recently Issued Accounting Standards

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. This statement defines fair value, establishes a framework for measuring fair value, and expands the related disclosure requirements. On January 1, 2008, SFAS 157 was adopted by the Company. The adoption of the Statement did not have a material impact on its financial position, results of operations or cash flows.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132(R)” (SFAS 158). This statement requires balance sheet recognition of the over funded or under funded status of pension and postretirement benefit plans. Under SFAS 158, actuarial gains and losses, prior service costs or credits, and any remaining transition assets or obligations that have not been recognized under previous accounting standards must be recognized in Accumulated Other Non-Shareowners’ Changes in Equity, net of tax effects, until they are amortized as a component of net periodic benefit cost. In addition, the measurement date, the date at which plan assets and the benefit obligation are measured, is required to be the company’s fiscal year end. SFAS 158 is effective for publicly-held companies for fiscal years ending after December 15, 2006, except for the measurement date provisions, which are effective for fiscal years ending after December 15, 2008. On January 1, 2007, the Company adopted SFAS No. 158, except for the measurement date provisions, which are effective for fiscal years ending after December 15, 2008. The adoption of the Statement did not have a material impact on its financial position, results of operations or cash flows.

The FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115” (“SFAS No. 159”) in February 2007. SFAS No. 159 permits a company to choose to measure many financial instruments and other items at fair value that are not currently required to be measured at fair value. The objective is to improve financial reporting by providing a company with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. A company shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. On January 1, 2008, the Company adopted SFAS No. 159. The adoption of the Statement did not have a material impact on its financial position, results of operations or cash flows.

In June 2007, the Emerging Issues Task Force (“EITF”) reached a consensus on EITF Issue No. 06-11, “Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards” (“EITF 06-11”). EITF 06-11 requires companies to recognize a realized income tax benefit associated with dividends or dividend equivalents paid on nonvested equity-classified employee share-based payment awards that are charged to retained earnings as an increase to additional paid-in capital. EITF 06-11 was adopted on January 1, 2008. The adoption of EITF 06-11 did not have a material impact on our Consolidated Financial Statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, “Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51” (“Statement No. 160”). Statement No. 160 requires (i) that noncontrolling (minority) interests be reported as a component of shareholders’ equity, (ii) that net income attributable to the parent and to the noncontrolling interest be separately identified in the consolidated statement of operations, (iii) that changes in a parent’s ownership interest while the parent retains its controlling interest be accounted for as equity transactions, (iv) that any retained noncontrolling equity investment upon the deconsolidation of a subsidiary be initially measured at fair value, and (v) that sufficient disclosures are provided that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. Statement No. 160 is effective for annual periods beginning after December 15, 2008 and should be applied prospectively. However, the presentation and disclosure requirements of the statement shall be applied retrospectively for all periods presented. We are currently assessing the impact SFAS No. 160 will have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), “Business Combinations” (“SFAS 141R”). SFAS 141R continues to require the purchase method of accounting to be applied to all business combinations, but it significantly changes the accounting for certain aspects of business combinations. Under SFAS 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. SFAS 141R will change the accounting treatment for certain specific acquisition related items including: (1) expensing acquisition related costs as incurred; (2) valuing noncontrolling interests at fair value at the acquisition date; and (3) expensing restructuring costs associated with an acquired business. SFAS 141R also includes a substantial number of new disclosure requirements. SFAS 141R is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. We expect SFAS 141R will have an impact on our accounting for future business combinations once adopted but the effect is dependent upon the acquisitions that are made in the future.

In March 2008, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 161, “Disclosures about Derivative Instruments and Hedging Activities – An Amendment of SFAS No. 133” (“SFAS 161”). SFAS 161 seeks to improve financial reporting for derivative instruments and hedging activities by requiring enhanced disclosures regarding the impact on financial position, financial performance, and cash flows. To achieve this increased transparency, SFAS 161 requires (1) the disclosure of the

fair value of derivative instruments and gains and losses in a tabular format; (2) the disclosure of derivative features that are credit risk-related; and (3) cross-referencing within the footnotes. SFAS No. 161 will be effective for fiscal years that begin after November 15, 2008. We are in the process of evaluating the new disclosure requirements under SFAS 161.

In April 2008, the FASB issued FASB Staff Position (“FSP”) FAS 142-3, Determination of the Useful Life of Intangible Assets. This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, “Goodwill and Other Intangible Assets” (“SFAS 142”). The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R, and other GAAP. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company is in the process of determining the impact of adopting this new accounting position on its consolidated financial position.

In May 2008, the FASB issued FASB statement No. 162, “The Hierarchy of Generally Accepted Accounting Principles” (“SFAS 162”). SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with GAAP in the United States. Any effect of applying the provisions of this Statement shall be reported as a change in accounting principle in accordance with FASB statement No. 154, “Accounting Changes and Error Corrections.” The Company is currently evaluating the impact of SFAS 162, but does not expect the adoption of this pronouncement will have an impact on its results of operations, financial position and cash flows.

In June 2008, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position (“FSP”) EITF 03-6-1, “Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities.” This FSP provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. Upon adoption, a company is required to retrospectively adjust its earnings per share data (including any amounts related to interim periods, summaries of earnings and selected financial data) to conform with the provisions in this FSP. Early application of this FSP is prohibited. The Company is currently evaluating the impact of EITF 03-6-1, but does not expect the adoption of this pronouncement will have an impact on its results of operations, financial position and cash flows.

In October 2008, the FASB issued FASB Staff Position No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active* (“FSP No. 157-3”), to provide guidance on determining the fair value of financial instruments in inactive markets. FSP No. 157-3 became effective for the Company upon issuance, and had no material impact on the Company’s financial position, results of operations or cash flows.

Off-Balance Sheet Arrangements

None.

Item 3—Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to various market risks as a part of its operations, and the Company anticipates that this exposure will increase as a result of its planned growth. In an effort to mitigate losses associated with these risks, the Company may at times enter into derivative financial instruments. These may take the form of forward sales contracts, option contracts, foreign currency exchange contracts and interest rate swaps. In September 2007, the Company first started to enter into forward currency exchange contracts to reduce foreign currency risks. The Company does not, and does not intend to, engage in the practice of trading derivative securities for profit.

Interest Rates — The Company is exposed to market risks relating to changes in interest rates. The Company’s credit facility allows for borrowings based on the prime rate, the Eurodollar rate or a base rate. The interest rate incurred by the Company is based on these rates plus a premium. If these rates rise, the Company’s interest expense will increase accordingly.

Interest Rate Changes — The Company’s debt agreements allow for borrowings based on the prime rate, Eurodollar rate or a base rate. The interest rate incurred by the Company is based on these rates plus a premium. If these rates rise, the Company’s interest expense will increase accordingly. The effect of a 10% interest rate increase on all outstanding debt for the Company would have been an increase in annual interest expense of approximately \$120.

Foreign Exchange Risk — The Company is exposed to fluctuations in the exchange rates principally of Canadian dollars and Euros which affects cash flows related to third party purchases and sales, intercompany product shipments and intercompany loans. The Company is also exposed to fluctuations in the value of foreign currency investment in the Company's Canadian subsidiary and cash flows related to repatriation of this investment. Additionally, the Company is exposed to volatility in the translation of foreign currency earnings to U.S. Dollars from Canadian dollars.

At September 30, 2008, the Company had entered into a series of forward currency exchange contracts. The contracts obligate the Company to purchase approximately CDN \$3.0 million in total. The contracts which are in various amounts mature between October 1, 2008 and December 31, 2009. Under the contracts, the Company will purchase Canadian dollars at exchange rates between .9396 and .9587. The Canadian to U.S. dollar exchange rate was .9397 at September 30, 2008. The Company attempts to purchase forward currency exchange contracts in relationship so that gains and losses on its forward currency exchange contracts offset exchange gains and losses on its on the assets and liabilities denominated in other than the reporting units' functional currency. Forward currency exchange contracts, if not offset by existing foreign currency positions, will result in the recognition of gains and loss which are not offset.

At September 30, 2008, the Company had a liability of \$48 related to the forward currency exchange contracts it held. Fair value of the forward currency exchange contracts are determined on the last day of each reporting period using quoted prices in active markets, which are supplied to the Company by the foreign currency trading operation of its bank. During the nine months ended September 30, 2008, the Company has recorded a realized loss of approximately \$22 thousand and an unrealized loss of approximately \$207 thousand related to forward currency exchange contracts. During the three months ended September 30, 2008, the Company has recorded a realized loss of approximately \$2 thousand and an unrealized loss of approximately \$104 thousand related to forward currency exchange contracts. Both realized and unrealized gains and losses related to forward currency exchange contracts are included in current earnings and are reflected in the Statement of Operations in the other income expense section on the line titled foreign currency transaction losses.

The Company had foreign currency losses net of gains and loss on forward currency contracts of \$0.1 million and \$0.2 million, respectively and \$0.1 and \$0.7 for the nine months ended September 31, 2008 and 2007, respectively. The losses for 2007 were largely incurred before the Company started purchasing forward currency exchange contracts to mitigate its risk.

Item 4—Controls and Procedures

Disclosure Controls and Procedures

The Company under the supervision and with the participation of management, including the Chief Executive Officer (principal executive officer) and the Chief Financial Officer (principal financial officer), evaluated the effectiveness of our “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”) as of the end of the period covered by this report.

Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that as of the end of the period covered by this report our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (2) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

The effectiveness of any system of controls and procedures is subject to certain limitations, and, as a result, there can be no assurance that our controls and procedures will detect all errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be attained.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1—Legal Proceedings

The Company is involved in various legal proceedings, including product liability and workers' compensation matters which have arisen in the normal course of operations. The Company has product liability insurance with self insurance retention that ranges from \$50 thousand to \$1 million. Certain cases are at a preliminary stage, and it is not possible to estimate the amount or timing of any cost to the Company. However, the Company does not believe that these contingencies, in the aggregate, will have a material adverse effect on the Company. When it is probable that a loss has been incurred and possible to make a reasonable estimate of the Company's liability with respect to such matters, a provision is recorded for the amount of such estimate or the minimum amount of a range of estimates when it is not possible to estimate the amount within the range that is most likely to occur.

Item 1A—Risk Factors

The Company's critical risk factors can be found in the Company's most recent Annual Report on Form 10-K filed with the SEC. No material changes in such risk factors have occurred, except as set forth below.

Provisions of the Michigan Business Corporation Act and the Company's Articles of Incorporation, Amended and Restated Bylaws, and Rights Agreement may discourage or prevent a takeover of the Company.

Provisions of the Company's Articles of Incorporation and Amended and Restated Bylaws, Michigan law, and the Rights Agreement, dated October 17, 2008, between the Company and American Stock Transfer & Trust Company, LLC, as rights agent, could make it more difficult for a third party to acquire the Company, even if doing so would be perceived to be beneficial to you. These provisions could discourage potential takeover attempts and could adversely affect the market price of the Company's shares. Because of these provisions, you might not be able to receive a premium on your investment. These provisions:

- authorize the Company's Board of Directors, with approval by a majority of its independent Directors but without requiring shareholder consent, to issue shares of "blank check" preferred stock that could be issued by the Company's Board of Directors to increase the number of outstanding shares and prevent a takeover attempt;
- limit our shareholders' ability to call a special meeting of the Company's shareholders;
- limit the Company's shareholders' ability to amend, alter or repeal the Company bylaws;
- may result in the issuance of preferred stock, which would significantly dilute the stock ownership percentage of certain shareholders and make it more difficult for a third party to acquire a majority of the Company's outstanding voting stock; and
- restrict business combinations with certain shareholders.

The provisions described above could prevent, delay or defer a change in control of the Company or its management.

Some of our customers rely on financing to purchase our products.

A significant portion of our sales are financed through financial institutions. The availability of financing is affected by general economic conditions, the credit worthiness of our customers and the estimated residual value of our equipment. Deterioration in the credit quality of our customers or the estimated residual value of our equipment could negatively impact the ability of our customers to obtain the resources they need to make purchases of our

equipment. Given the current economic conditions and the lack of liquidity in the global credit markets, there can be no assurance that financial institutions will continue to extend credit to our customers or their customers as they have in the past. Given the lack of liquidity, our customers may be compelled to sell their equipment at less than fair value to raise cash, which could have a negative impact on residual values of our equipment. These economic conditions could have a material adverse effect on demand for our products and on our financial condition and operating results.

Price increases in some materials could affect our profitability.

We use large amounts of steel and other items in the manufacture of our products. Recently, market prices of some of our key raw materials have increased significantly. We have experienced significant increases in material costs including steel, which have increased our expenses. If we are not able to reduce product cost in other areas or pass future raw material price increases on to our customers, our margins could be adversely affected.

Item 2—Unregistered Sales of Equity Securities and Use of Proceeds.

On October 19, 2006, the Company entered into a Purchase Agreement with LiftKing Industries Inc., LiftKing Incorporated, Mark Aldrovandi, and Louis Aldrovandi pursuant to which the Company purchased all of the operating assets of LiftKing Industries Inc. for, among other things, 266,000 exchangeable shares of common stock of Manitex LiftKing, ULC, which were exchangeable for 266,000 shares of the Company's common stock. In September of 2008, LiftKing Industries Inc. notified the Company that it intended to exchange its 266,000 shares of Manitex LiftKing, ULC for 266,000 shares of the Company's common stock. Accordingly, on September 16, 2008, the Company issued 266,000 shares of its common stock to LiftKing Industries Inc. in exchange for the 266,000 shares of Manitex LiftKing, ULC that were originally issued in connection with the Purchase Agreement.

The shares issued to LiftKing Industries Inc. were issued without registration under the Securities Act of 1933, as amended (the "Securities Act"), or state securities laws, in reliance on the exemptions provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder and in reliance on similar exemptions under applicable state laws, as there was no public offering.

The Company's credit agreement with Comerica Bank directly restricts the Company's ability to declare or pay dividends without Comerica's consent. In addition, pursuant to the Company's credit agreement with Comerica, the Company must maintain a minimum tangible effective Net Worth and a Debt Service Coverage Ratio, as they are defined in the credit agreement. This tangible net worth requirement takes into account dividends paid to the Company's shareholders. Therefore, in determining whether the Company can pay dividends, or the amount of dividends that may be paid, the Company will also have to consider whether the payment of such dividends will allow the Company to maintain the tangible net worth requirement in the Company's credit agreement.

Item 3—Defaults Upon Senior Securities

Not applicable.

Item 4—Submission of Matters to a Vote of Security Holders

Not applicable.

Item 5—Other Information

Not applicable.

Item 6—Exhibits

See the Exhibit Index set forth below for a list of exhibits included with this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filing Date</u>	<u>Filed Herewith</u>
		<u>Form</u>	<u>File No.</u>	<u>Exhibit No.</u>		
3.1	Articles of Incorporation, as amended					X
31.1	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.					X

SIGNATURES

Pursuant 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.

November 13, 2008

By: /s/ David J. Langevin

David J. Langevin
Chairman and Chief Executive Officer
(Principal Executive Officer)

November 13, 2008

By: /s/ David H. Gransee

David H. Gransee
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Certificate:

1. The present name of the corporation is: Manitex International, Inc.
2. The identification number assigned by the Bureau is: 10296D.
3. Article III of the Articles of Incorporation is hereby amended to read as follows:

See attached Exhibit A.

4. The foregoing amendment to the Articles of Incorporation proposed by the board was duly adopted on the 15th day of October, 2008, by the board of a profit corporation pursuant to section 611(2) of the Act.

Signed this 17th day of October, 2008

By: /s/ David Langevin
David Langevin, Chief
Executive Officer

EXHIBIT A
TO
CERTIFICATE OF AMENDMENT
TO THE ARTICLES OF INCORPORATION OF
MANITEX INTERNATIONAL, INC.

ARTICLE III

1. Classes and Number of Shares. The corporation is authorized to have two classes of shares, designated as common stock and preferred stock. The aggregate number of shares of stock of each class are as follows:

a. Twenty million (20,000,000) shares of common stock, no par value (the “Common Stock”)

b. One hundred fifty thousand (150,000) shares of preferred stock, no par value (“Preferred Stock”), which may be issued in one or more series having such relative rights, preferences, priorities, privileges, restrictions and limitations as the Board of Directors may determine from time to time.

2. Series A Junior Participating Preferred Stock. There is hereby created a series of Preferred Stock that shall be designated as “Series A Junior Participating Preferred Stock”, no par value per share (the “Series A Preferred Stock”), and the number of shares constituting such series shall be 125,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the corporation into Series A Preferred Stock.

3. Dividends and Distributions.

a. The holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first business days of January, April, July and October in each year (each such date being referred to herein as a “Quarterly Dividend Payment Date”), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) \$1.00 or (ii) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all noncash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of

the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the corporation shall at any time after October 17, 2008 (the "Rights Declaration Date") (a) declare any dividend on Common Stock payable in shares of Common Stock, (b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (ii) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock that are outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

b. The corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph 3.a immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); *provided* that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1.00 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

c. Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

4. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

a. Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the shareholders of the corporation. In the event the corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock that are outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

b. Except as otherwise provided herein, in any other resolution of the Board of Directors creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of shareholders of the corporation.

c. Except as set forth herein, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

5. Certain Restrictions.

a. Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 3 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the corporation shall not:

i. declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

ii. declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

iii. redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, *provided* that the corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the corporation ranking junior to or on a parity with (both as to dividends or upon dissolution, liquidation or winding up) the Series A Preferred Stock; or

iv. purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

b. The corporation shall not permit any corporation of which an amount of voting securities sufficient to elect at least a majority of the directors of such corporation is beneficially owned, directly or indirectly, by the corporation or otherwise controlled by the corporation to purchase or otherwise acquire for consideration any shares of stock of the corporation unless the corporation could, under paragraph 5.a, purchase or otherwise acquire such shares at such time and in such manner.

6. Reacquired Shares. All shares of Series A Preferred Stock that shall at any time have been reacquired by the corporation shall, after such reacquisition, have the status of authorized but unissued shares of Preferred Stock of the corporation, without designation as to series, and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

7. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the corporation, no distribution shall be made (A) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, *provided* that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (B) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (A) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

8. Consolidation, Merger, etc. In case the corporation shall enter into any consolidation, merger, combination, share exchange or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the corporation shall at any time after the Rights Declaration Date (A) declare any dividend on Common Stock payable in shares of Common Stock, (B) subdivide the outstanding Common Stock, or (C) combine the outstanding shares of Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock that are outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

9. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.

10. Amendment. To the fullest extent permitted by applicable law, prior to such time as shares of Series A Preferred Stock are issued and outstanding, the Board of Directors may modify, amend, alter or revoke any of the number of shares of Series A Preferred Stock, the powers, preferences or special rights of the Series A Preferred Stock or the other terms of the Series A Preferred Stock. From and after such time as shares of Series A Preferred Stock are issued and outstanding, the Articles of Incorporation of the corporation shall not be amended in any manner that would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

11. Fractional Shares. Series A Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock.

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Certificate:

1. The present name of the corporation is Veri-Tek International, Corp.
2. The identification number assigned by the Michigan Department of Labor & Economic Growth Bureau of Commercial Services is 10296D.
3. Article I of the Articles of Incorporation is hereby amended to read as follows:

“The name of the corporation is Manitex International, Inc.”

The foregoing amendment to the Articles of Incorporation proposed by the board was duly adopted on the 28th day of April, 2008 by the written consent of the shareholders having not less than the minimum number of votes required by statute in accordance with Section 407(1) of the Act. Written notice to shareholders who have not consented in writing has been given.

4. The effective date of this Certificate of Amendment is May 28, 2008.

Signed this 22nd day of May, 2008

By: /s/ David Langevin

Name: David Langevin

Title: Chief Executive Officer

**ARTICLES OF INCORPORATION
OF VERI-TEK INTERNATIONAL, CORP.,
AS AMENDED**

ARTICLE I (As amended December 11, 2003)

The name of the corporation is Veri-Tek International, Corp.

ARTICLE II

The purpose or purposes for which the corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the Business Corporation Act of Michigan.

ARTICLE III (As amended July 16, 2004)

The total authorized shares:

1. Common Shares: 20,000,000
Preferred Shares: 150,000

2. A statement of all or any of the relative rights, preferences and limitations of the shares of each class is as follows:

The Preferred Stock may be issued, from time to time, in one or more series as authorized by the Board of Directors. Prior to issuance of shares of each series, the Board of Directors by resolution shall designate that series to distinguish it from all other series and classes of stock of the Corporation, shall specify the number of shares to be included in the series and shall set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption. Subject to the express terms of any other series of Preferred Stock outstanding at the time and notwithstanding any other provision of these Articles of Incorporation, the Board of Directors may increase or decrease the number of shares of, or alter the designation or classify or reclassify, any unissued shares of any series of Preferred Stock by setting or changing, in any one or more respects, from time to time before issuing the shares, the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of the shares of any series of Preferred Stock.

ARTICLE IV

The address of the registered office is 28213 Van Dyke Avenue, Warren, Michigan 48093. The name of the registered agent at the registered office is Michael C. Azar, Esq.

ARTICLE V

The name and address of the incorporator is as follows: Michael C. Azar, 28213 Van Dyke Avenue, Warren, Michigan 48093.

ARTICLE VI

When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its shareholders or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor or shareholder thereof, or on application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders, and also on this corporation.

ARTICLE VII

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. A written consent shall bear the date of signature of the shareholder who signs the consent. Written consents are not effective to take corporate action unless within 60 days after the record date for determining shareholders entitled to express consent to or dissent from a proposal without a meeting, written consents dated not more than 10 days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented to the action in writing. An electronic transmission consenting to an action must comply with Section 407(3).

* * * * *

I, the incorporator sign my name this 15th day of October, 2003.

By /s/ Michael A. Azar

CERTIFICATIONS

I, David J. Langevin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manitex International, 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 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 principals;
 - 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 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

By: _____ /s/ David J. Langevin
Name: **David J. Langevin**
Title: **Chairman and Chief Executive Officer**
(Principal Executive Officer of Manitex International, Inc.)

CERTIFICATIONS

I, David H. Gransee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manitex International, 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 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 principals;
 - 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 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

By: _____ /s/ David H. Gransee
 Name: **David H. Gransee**
 Title: **Vice President and Chief Financial Officer**
(Principal Financial and Accounting Officer of Manitex International, Inc.)

