Manitex International, Inc.
Form 10-K
March 30, 2010
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT

PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

Commission File No.: 001-32401

MANITEX INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Michigan	**42-1628978**
(State of incorporation)	**(I.R.S. Employer Identification No.)**
7402 W. 100th Place	
Bridgeview, Illinois	**60455**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: (708) 430-7500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, no par value	**The NASDAQ Stock Market LLC**
Preferred Share Purchase Rights	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

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 x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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 x

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

Table of Contents

The aggregate market value of the shares of common stock, no par value (Common Stock), held by non-affiliates of the registrant as of June 30, 2009 was approximately $5.2 million based upon the closing price for the Common Stock of $0.86 on the NASDAQ Stock Market on such date. Shares of Common Stock held by each officer and director and by each person who owns 5% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares of the registrant s common stock outstanding as of March 3, 2010 was 11,160,455

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates by reference information (to the extent specific sections are referred to herein) from the registrant s Proxy Statement for its 2010 Annual Meeting (the 2010 Proxy Statement) to be filed with the Commission within 120 days after the end of the fiscal year ended December 31, 2009.

Table of Contents

TABLE OF CONTENTS

Table of Contents

PART I

References to the Company, we, our and us refer to Manitex International, Inc., together in each case with our subsidiaries and any predecessor entities unless the context suggests otherwise.

Forward-Looking Statements

When reading this section of this Annual Report on Form 10-K, it is important that you also read the financial statements and related notes thereto. This Annual Report on Form 10-K and certain information incorporated herein by reference contain forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements contained in this Annual Report on Form 10-K, other than statements that are purely historical, are forward-looking statements and are based upon management s present expectations, objectives, anticipations, plans, hopes, beliefs, intentions or strategies regarding the future. We use words such as anticipate, estimate, plan, project, continuing, ongoing, expect, believe, intend, may, will, should, could, and similar expressions to identify forward-loo Forward-looking statements in this Annual Report on Form 10-K include, without limitation: (1) projections of revenue, earnings, capital structure and other financial items, (2) statements of our plans and objectives, (3) statements regarding the capabilities and capacities of our business operations, (4) statements of expected future economic conditions and the effect on us and on our customers, (5) expected benefits of our cost reduction measures, and (6) assumptions underlying statements regarding us or our business. Our actual results may differ from information contained in these forward looking-statements for many reasons, including those described below and in the section entitled Item 1A. Risk Factors :

(1) substantial deterioration in economic conditions, especially in the United States and Europe;

(2) our customers diminished liquidity and credit availability;

(3) difficulties in implementing new systems, integrating acquired businesses, managing anticipated growth, and responding to technological change;

(4) our ability to negotiate extensions of our credit agreements and to obtain additional debt or equity financing when needed.

(5) the cyclical nature of the markets we operate in;

(6) increases in interest rates;

(7) government spending; fluctuations in the construction industry, and capital expenditures in the oil and gas industry;

(8) the performance of our competitors;

(9) shortages in supplies and raw materials or the increase in costs of materials;

(10) our level of indebtedness and our ability to meet financial covenants required by our debt agreements;

(11) product liability claims, intellectual property claims, and other liabilities;

(12) the volatility of our stock price;

(13) future sales of our common stock;

(14) the willingness of our stockholders and directors to approve mergers, acquisitions, and other business transactions;

(15) currency transactions (foreign exchange) risks and the risk related to forward currency contracts;

(16) certain provisions of the Michigan Business Corporation Act and the Company s Articles of Incorporation, as amended, Amended and Restated Bylaws, and the Company s Preferred Stock Purchase Rights may discourage or prevent a change in control of the Company; and

(17) NASDAQ Capital Markets may cease to list our Common Stock;

Table of Contents

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.

ITEM 1. BUSINESS

Our Business

Overview

Lifting Equipment Segment

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. Our subsidiary, Badger Equipment Company, acquired on July 10, 2009, is a manufacturer of specialized rough terrain cranes and material handling products, including a newly introduced 30-ton model, the first in a new line of specialized high quality rough terrain cranes. Badger primarily serves the needs of the construction, municipality, and railroad industries. The Company acquired Badger primarily to obtain the recently developed new 30 ton Rough Terrain crane together with Badger s long standing crane legacy and niche customer relationships. These provide significant additional markets for the Company and are also strategically aligned with its existing Lifting Equipment segment.

Through its Manitex Liftking subsidiary and its Schaeff Lift Truck division, the Company also sells a complete line of rough terrain forklifts, a line of stand-up electric forklifts, cushioned tired forklifts with lifting capacities from 18 thousand to 40 thousand pounds, 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. The foregoing operations comprise the Company s Lifting Equipment Segment.

On December 31, 2009, our subsidiary, Manitex Load King, Inc. acquired the operating assets of Load King Trailers, an Elk Point, South Dakota-based manufacturer of specialized custom trailers and hauling systems typically used for transporting heavy equipment. Load King trailers serve niche markets in the commercial construction, railroad, military, and equipment rental industries through a dealer network. Load King complements our existing material handling business.

Distribution Equipment Segment

In October 2008, the Company began operating a crane dealership located in Bridgeview, Illinois that distributes Terex rough terrain and truck cranes, Fuchs material handlers, Manitex boom trucks and sky cranes. We treat these operations as a separate reporting segment entitled Equipment Distribution. Our Equipment Distribution segment also supplies repair parts for a wide variety of medium to heavy duty construction equipment sold both domestically and internationally. Our crane products are used primarily for infrastructure development and commercial construction, applications include road and bridge construction, general contracting, roofing, scrap handling and sign construction and maintenance.

History

The Company s predecessor was founded in 1993. In October 2003, our predecessor company was purchased by Veri-Tek International, Corp., formerly known as Quantum-Veri-Tek, Inc., a Michigan corporation incorporated

Table of Contents

on October 17, 2003, and an affiliate of Quantum Value Partners, LP, pursuant to an asset purchase agreement. Following the acquisition of Quantum-Veri-Tek in 2003, the Company s single line of business was to design, develop, and build specialty Testing & Assembly Equipment for the automotive and heavy equipment industries that identifies defects through the use of signature analysis and in-process verification. We refer to this operation as our Testing & Assembly Equipment segment. 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, equipment and patents. 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 & Assembly Equipment segment had ceased.

In 2006, the Company committed to a new strategic direction. In fiscal 2006, we completed two acquisitions that introduced boom trucks, sign cranes and lifting equipment into our operations as a new business segment. Additional acquisitions since 2006 have further expanded our Lifting Equipment segment and established a Distribution Equipment segment. A summary of our acquisitions follows the section immediately below entitled Discontinued Operations .

On May 27, 2008, Veri-Tek International, Corp. filed a Certificate of Amendment to its Articles of Incorporation changing its name to Manitex International, Inc. The name change was effective as of May 28, 2008.

Discontinued Operations

On March 29, 2007, the Company s Board of Directors approved a plan to sell the Company s Testing & Assembly Equipment segment in order to focus management s attention and financial resources on the Company s Lifting Equipment segment. The plan to sell the Testing & Assembly Equipment segment followed a strategic review made by the Company triggered by a history of significant operating losses by the Testing & Assembly Equipment segment.

In connection with the preparation of our 2006 year-end financial statements, the Board determined that certain assets used in connection with our Testing & Assembly Equipment segment were impaired. Accordingly, we recorded an impairment charge of $6.6 million.

On July 5, 2007, the Company entered into an Asset Purchase Agreement with 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 $1.1 million. This transaction was completed on August 1, 2007. As of August 31, 2007, all operations of the Company s Testing & Assembly Equipment segment had ceased. The Testing & Assembly Equipment segment operated from a leased facility. The lease termination date for this facility was August 31, 2007 (See Note 6 to our consolidated financial statements).

As a result of the Company s decision to sell the Testing & Assembly Equipment segment, the results of this operation have been reported as a discontinued operation for all periods presented in the Consolidated Financial Statements

Summary of Acquisitions

Effective July 3, 2006, the Company completed the purchase of Manitex, Inc. (Manitex subsidiary) 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 became 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 entered into an asset purchase agreement with GT Distribution, LLC (GT Distribution), a related party, pursuant to which the Company acquired its Noble product line. The Noble product line, which is comprised of four rough terrain forklifts in several configurations, is produced in our two current production facilities, which are located in Woodbridge, Ontario and Georgetown, Texas. The results for the Noble Forklift product line acquisition have been included in the accompanying consolidated statement of operations from the date of the acquisition.

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) pursuant to an asset purchase agreement with Schaeff, Crane, and their parent company, GT Distribution (GT). Mr. Langevin, the Company s Chairman and Chief Executive Officer owned 38.8% of the membership interests of GT. Due to the related-party aspects of this transaction, the asset 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 for the assets of Schaeff and GT was fair to the shareholders of the Company from a financial point of view. In January 2009, Mr. Langevin assigned his ownership interest in GT to Bob Litchev, a Senior Vice President of Manitex International, Inc. Located in Bridgeview, Illinois, Crane is a distributor of Terex rough terrain and truck cranes and Manitex boom trucks and sign cranes and is being treated as a separate reporting segment entitled Equipment Distribution. The Equipment Distribution segment has a long-standing dealer relationship with Terex Corporation and is the authorized Terex rough terrain and truck crane dealer for Cook County, Illinois. Truck cranes differ from boom trucks in that they are built on a specialized chassis and, though road-worthy, are neither licensed or titled but instead are considered a piece of construction equipment. Rough terrain cranes are designed to operate on unpaved, unfinished construction sites and must be delivered by a freight hauler.

On July 10, 2009, the Company purchased Badger Equipment Company, a Winona, Minnesota-based manufacturer of specialized rough terrain cranes and material handling products. The Badger product line includes: lattice cranes marketed under the Little Giant trade name, excavators and a newly designed specialized 30 ton rough terrain crane. The new 30 ton rough terrain crane is the first in a new line of specialized high quality rough terrain cranes that the Company plans to develop and introduce. Badger primarily serves the needs of the construction, municipality, and railroad industries. The Company has an advantage over its competitors in selling to railroads as it is the only crane manufacturer that has integrated the installation of rail gear into its production process. Competitors send their cranes to a third party to have rail gear added which both increases cost and delays deliveries.

On December 31, 2009, Manitex International, Inc. acquired the operating assets of Load King Trailers, an Elk Point, South Dakota-based manufacturer of specialized custom trailers and hauling systems typically used for transporting heavy equipment. Load King trailers serve niche markets in the commercial construction, railroad, military, and equipment rental industries through a dealer network. Load King complements our existing material handling business.

Table of Contents

Recent events in the credit markets and changes in economic climate

Historically, the demand for the Company s products depended 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, have caused customers in the past to forego or postpone new purchases in favor of repairing existing machinery.

Beginning in September of 2008, the United States and world financial markets came under unprecedented stress. The immediate impact was a dramatic decrease in liquidity and credit availability throughout the world. An incredibly rapid and significant deterioration in economic conditions, especially in the United States and Europe followed. These events had an immediate significant adverse impact on the Company, including a very dramatic curtailment of new orders, requests to delay deliveries and, in some cases to cancel existing orders.

In response to the impact of economic conditions and longer sales cycles, it was determined that swift management action was necessary to ensure that operating activity was balanced with current demand levels. Since the end of the third quarter 2008, we have implemented across the board cost reductions. The specific actions taken to achieve these cost reductions comprise headcount reductions of salaried and hourly employees, virtual elimination of overtime, suspension of additional hires and merit increases, reduction in executive and salaried pay, bonus and benefits and the introduction of shortened workweeks. Management believes that these actions, although difficult, are required to enable the Company to adjust to current conditions and position it to respond quickly when the market recovers. Certain of the aforementioned actions were implemented before December 31, 2008. Significant additional steps were implemented shortly after year end December 31, 2008. The Company, however, continued to monitor its cost structure and made some additional adjustments during 2009. Restructuring costs were $255, and $329 for 2009 and 2008, respectively.

Additionally the Company has expanded its sales efforts, which includes an expanded focus into international markets and selling to rental companies with a national scope, as well as supply chain cost reductions.

The actions of the United States and other world governments to stimulate the world economy are also unprecedented. The United States stimulus package includes very significant appropriations for improving the country s infrastructure, which could be a significant benefit to the Company. The ultimate success of governmental actions and the resulting benefits that the Company may see, however, remain unknown.

General Corporate Information

The Company s principal executive offices are located at 7402 W. 100th Place, Bridgeview, Illinois 60455 and our telephone number is (708) 430-7500. The Company s website address is www.manitexinternational.com. Information contained on our website is not incorporated by reference into this report and such information should not be considered to be part of this report.

Table of Contents

FINANCIAL INFORMATION ABOUT BUSINESS SEGMENTS

The following is financial information about our Lifting Equipment and Equipment Distribution segments for the years ending December 31, 2009, 2008 and 2007. The accounting policies of the segments are the same as those described in the summary of significant accounting policies in the Notes to the Consolidated Financial Statements included in Item 8 of this Form 10-K, except corporate expenses are not allocated to segments. The Company evaluates segment performance based upon operating income before corporate expenses. Amounts shown are in thousands of dollars.

	AS OF OR FOR THE YEAR ENDED DECEMBER 31,		
	2009(2)	2008 (1)(2)	2007 (1)(2)
Revenues from continuing operations:			
Lifting Equipment	$ 52,392	$ 103,343	$ 106,946
Equipment Distribution	3,495	2,998	
Total	$ 55,887	$ 106,341	$ 106,946
Operating income from continuing operations:			
Lifting Equipment	$ 5,420	$ 6,382	$ 10,109
Equipment Distribution	(79)	68	
Corporate expense	(1,997)	(3,042)	(3,756)
Total	$ 3,344	$ 3,408	$ 6,353
Total assets:			
Lifting Equipment	$ 89,384	$ 79,635	$ 79,749
Equipment Distribution	5,154	6,368	
Corporate	147	225	254
Discontinued operations			172
Total	$ 94,685	$ 86,228	$ 80,175

(1) The financial data presented reflects the former Testing & Assembly Equipment segment as a discontinued operation.

(2) Financial results for acquisitions are included from the date of acquisition: July 31, 2007 for Noble product line; October 6, 2008 for the assets of Crane & Machinery, Inc.;. and Schaeff Lift Truck, Inc.; July 10, 2009 for Badger Equipment Company; and December 31, 2009 for the assets of Manitex Load King, Inc. The Company acquired its Equipment Distribution segment on October 6, 2008 with the acquisition of substantially all the assets of Crane & Machinery.

Lifting Equipment Segment

Boom Trucks

A boom truck is a straight telescopic boom crane outfitted with a hook and winch which is mounted on a standard flatbed commercial (Class 7 or 8) truck chassis. Relative to other lifting equipment, boom trucks provide increased versatility capable of transporting relatively large payloads from site to site at highway speeds. A boom truck is usually sold with outriggers, pads and devices for reinforcing the chassis in order to improve safety and stability. Although produced in a wide range of models and sizes, boom trucks can be broadly distinguished by their normal lifting capability as light, medium, and heavy-cranes. Various models of medium or heavy-lift boom trucks can safely lift loads from 15 to 50 tons and operating radii can exceed 100 . Another advantage of the boom truck is the ability to provide occasional manlift capabilities at a very low cost to height ratio. While it is not uncommon to see a very old boom truck, most replacement cycles seem to trend to seven years.

Table of Contents

The Company sells its boom trucks through a network of approximately thirty full service dealers in United States and Canada and through a Mexican dealer, a Middle East dealer and a Russian dealer. A number of our dealers maintain a rental fleet of their own. Boom cranes can be rented for either short or long-term periods. The market for boom cranes has historically been cyclical. Sales of boom cranes grew from 1992, to a peak, in 1998 of 2,719 units. Since then, the market has experienced periods of declines and recovery. Between 1992 and 2008, unit sales were the lowest in 2003 when only 1,445 units were sold. In 2006, the demand for boom trucks exceeded the industry capacity to produce the product. In 2006, the industry delivered approximately 2,700 units. Although the industry deliveries for 2007 remained strong at approximately 2,500 units, the demand softened somewhat and allowed the industry to catch up to demand. Although the industry s unit shipments decreased modestly from 2006 to 2007, the Company unit shipments were up approximately 10% for 2007. The overall industry demand in 2008 decreased by approximately 36% to approximately 1,600 units. Our boom truck shipments were, however, only down approximately 10% in 2008, as our market share continued to increase, rising from 21% in 2007 to 30% in 2008. As discussed above, the United States and world financial markets came under unprecedented stress beginning in September 2008. As a result, the market for boom trucks in 2009 shrunk to approximately 721 units, a level significantly below what we saw in earlier recessions. Our market share, however, continued to improve in 2009 growing to an approximate 36% market share. The aforementioned market share is based on the sale of boom trucks with lifting capacity of 17 tons and above, as the company does not produce boom trucks with lifting capacity below 17 tons. The Company currently expects a modest increase in overall industry demand in 2010; unit demand is expected to still be significantly below 1,000 units.

The Company is the second leading producer of boom trucks in North America with approximately 36% of all unit sales. Market share based on revenues is even higher because the Company s sales are skewed to boom trucks with higher lifting capacity. Although the Company offers a complete line of boom trucks from light to heavy capacity cranes, we believe it is an advantage to be skewed towards the heavier lifting capacity. The heavier capacity cranes have somewhat higher margins and historically are believed to be less cyclical. Markets that drive demand for boom trucks include power distribution, oil and gas recovery, and new home construction. The new home construction market, which uses lower capacity cranes, is probably the most cyclical and is where our market share is the lowest. We believe that oil and gas extraction offers the best chance for long-term growth, and is a market where the Manitex subsidiary s products are well represented.

Sign Cranes

A sign crane is similar to a boom truck in that it is a straight telescopic boom crane mounted on a commercially available chassis, but it differs in application. Whereas a boom truck is primarily utilized as a lifting device and occasionally for manlift applications, the sign crane application is the inverse. It is primarily utilized in manlift applications and occasionally used as a relatively low capacity crane. Historically these cranes possessed maximum lifting capacities of three tons and working heights to 140 feet. Only recently has a sign crane been introduced with a maximum capacity of 12 tons. As the primary application revolves around putting people into the air to erect and service signs, the sign crane possesses advanced basket capabilities. Baskets automatically level throughout boom movement, and all utilities necessary to perform erection and service work are provided at the basket. These can include weld leads, gas, air, water and electricity. It is very common for a sign crane to be utilized for 10 to 15 years. Larger fleet replacements are generally at approximately five years.

Over the last 10 years, there has been significant consolidation among companies erecting and servicing highway signage. Three companies now control the large majority of the business. Each possesses several hundred units in its fleet and none has experienced a purchase cycle over the last several years. Sales to any of these customers are performed on a direct basis and not through a dealer network. Currently, the Company has no contracts to supply sign cranes to any of these three companies.

The Company offers its sign cranes through a network of dealers who sell to family run and smaller sized businesses. We are not aware of any centralized reporting agency that exists to size this industry, but management estimates that it could be around 375 machines in an average year. This represents a wholesale market of approximately $30 million when the value of the chassis is excluded and $55 million when included. The Company believes its market share in this segment is approximately 10%. The market has historically been somewhat cyclical fluctuating with general economic conditions. The market for sign cranes was relatively soft during the first nine months of 2008, before coming to a near halt in the fourth quarter. The precipitous decrease in demand in the fourth quarter was the result of the distress in the financial markets and the resulting diminished liquidity and credit availability along with the substantial deterioration in economic condition that followed. The market for sign cranes remained severely depressed for 2009. It is estimated that total sign crane sales for 2009 were under a 100 units. The Company does not expect the market for sky cranes to improve significantly in 2010.

Rough Terrain Cranes

Our subsidiary, Badger Equipment Company, sells specialized rough terrain cranes through a network of dealers. The Badger product line includes: lattice cranes with 20 to 30 ton lifting capacity marketed under the Little Giant trade name, and a newly designed specialized 30 ton rough terrain crane sold under the Badger name. The new 30 ton rough terrain crane is the first in a new line of specialized high quality rough terrain cranes that the Company plans to develop and introduce.

The Little Giant line has five lattice boom models, three of which are dedicated rail cranes. In addition to the rail cranes, Badger sells a 30 ton truck crane and a 25 ton crawler crane. Although Badger end customers include states and municipalities, our sales are predominately to railroads. The Company has an advantage over its competitors in selling to railroads as it is the only crane manufacturer that has integrated the installation of rail gear into its production process. Competitors send their cranes to a third party to have rail gear added which both increases cost and delays deliveries.

The newly designed 30 ton rough terrain crane, which is sold under the Badger name, is available with or without rail gear. The Company shipped its first crane in October 2009. The response from the railroad industry to our new crane has been very favorable. To date we have received orders for the new crane from three different railroads. In the future, the Company expects to generate significant non-railroad revenues for this crane. These revenues are expected to come from states, municipalities and oil refineries.

Specialized Highly Engineered Trailers

Our subsidiary, Manitex Load King, acquired on December 31, 2009, designs and sells build-to-order specialized, highly engineered low-bed, heavy-haul, bottom-dump, and platform trailers and hauling systems. The trailers, except for the bottom-dump, are typically used for transporting heavy equipment. Additionally, Load King has recently launched a trailer refurbishment service. Our trailers are utilized by commercial construction firms, equipment rental companies, oil field service companies, the railroad industry, the U.S. military, and other end users to safely and efficiently haul specialized equipment. The Company routinely customizes its trailers and/or innovates new features to address specific customer, end-market or application needs.

Manitex Load King markets its products through a network of dealers.

Rough Terrain Forklifts

Manitex Liftking manufactures a complete range of straight mast forklifts with capacities from 6,000 to 50,000 lbs. and lift heights from 10 to 32 feet. All Manitex Liftking straight mast forklifts feature exceptional ground clearance, easy access to service points, ergonomic controls and easy operation. Manitex Liftking also produces a series of tag along forklifts that mount to trucks with lifting capacity ranging from 4,000 to 6,000 pounds. These mounted forklifts are ideal for bricklaying, landscaping, construction or any other application that requires a forklift to tag along. The forklifts feature an easy to mount system, which allows an operator to securely mount or dismount the forklift quickly.

Manitex Liftking forklifts includes four rough terrain forklifts, in several configurations, which are sold under the Noble trade name. The Noble product line was originally designed and marketed by Caterpillar in 1983 and subsequently through Eagle Pitcher s dealers. Noble has a reputation for providing durable, innovative and high quality products, and as a result, the Noble product has benefited from very strong distribution, and has a large installed base giving rise to a healthy after-market parts business. The Noble rough terrain forklifts are currently distributed through the Caterpillar dealer network.

The Company sells its rough terrain forklifts through a network of approximately fifty dealers in the United States and Canada.

Military Forklifts

Manitex Liftking military forklifts are used worldwide during both periods of conflict and peace. Manitex Liftking military units are working for national militaries including the United States, Canada, and Britain. The Company exported military products (including products sold to the U.S.) are sold through the Canadian Commercial Corporation which has direct contracts with various foreign (outside of Canada) government agencies. The U.S. Department of Defense alone has hundreds of Manitex Liftking vehicles in the Navy, Army and Air Force that they depend on daily. These vehicles range from small shipboard approved forklifts to the biggest articulating, rough-terrain forklift in the world.

Manitex Liftking military forklifts have innovative features that allow them to meet strict military standards and perform in almost any terrain. These features include the patented hydraulically removable counterweight that permits aircraft transportability of the forklift without exceeding the load limits of the aircraft. The water fording capability of some Manitex Liftking vehicles allow continuous operation in water depths of up to 5 feet (1.5 meters), providing true all-terrain operation. The Company believes that these features have helped position Manitex Liftking as the product of choice for rough terrain military forklifts.

All of Manitex Liftking s shipboard approved vehicles are structurally engineered to withstand a depth charge explosion while on an aircraft carrier, and still be fully operational. The detachable mast and 2-piece operator s cab on some of Manitex Liftking s bigger vehicles allow easy disassembly to satisfy height restrictions while being transported by road or rail. Attachments such as fork rollers and standard ISO container handlers further increase the versatility of a Manitex Liftking forklift.

Manitex Liftking s forklifts are built to exacting military standards including compliance with the quality controls required by ISO 9001. Before being shipped each machine is thoroughly tested on a military approved endurance track located adjacent to Manitex Liftking s military vehicle manufacturing plant. There are a limited number of test tracks in North America, and having a military approved test track is an advantage.

The timing of customer orders can be expected to result in fluctuations in revenues from period to period. The expected fluctuations, however, are not as dependent on general economic conditions as is our commercial business.

Mission Oriented Vehicles and Specialized Carriers

Special 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 including utility, ship building and steel mill industries. Mission oriented vehicles and specialized carriers are sold directly to the end users.

The transporters, used in ship building, are one example of a specialized carrier built by Manitex Liftking. The ship builder will construct a segment of the hull on our transporter. When the section of the hull is complete, the ship builder will move the section to the already completed portion of the hull and attach it. Manitex Liftking has built transporters capable of transporting 300,000 pounds.

Table of Contents

Part Sales

The Lifting Equipment segment supplies repair and replacement parts for all of its products. The parts business margins are higher than our overall margins and accounts for approximately 15% of our revenues in typical year. Part sales as a percentage of revenues tend to increase when there is a down-turn in the industry. Part sales increased as a percentage of revenues to approximately 28% for the year ended December 31, 2009.

Equipment Distribution Segment

The Company acquired its Equipment Distribution segment in October of 2008 with the acquisition of substantially all the assets of Crane. The Equipment Distribution segment located in Bridgeview, Illinois is a distributor of Terex rough terrain and truck cranes, Fuchs material handlers, Manitex boom trucks and sky cranes. The Equipment Distribution segment sells its products predominately to end users, including the rental market. Its products are used primarily for infrastructure development and commercial construction, and its applications include road and bridge construction, general contracting, roofing, scrap handling and sign construction and maintenance. The Equipment Distribution segment supplies repair parts for a wide variety of medium to heavy duty construction equipment and sell both domestically and internationally. The segment also provides repair services in the Chicago area. Revenues attributable to the Company s Equipment Distribution segment were less than 10% of the Company s total revenues for fiscal years 2009 and 2008.

Total Company Revenues by Sources

The sources of the Company s revenues are summarized below:

	2009	2008	2007
Boom trucks	49%	65%	62%
Sign cranes	2%	3%	4%
Trolley boom unloaders	0%	0%	1%
Rough terrain forklifts	8%	8%	5%
Cushion tire forklift	1%	3%	3%
Military forklifts	6%	2%	8%
Mission oriented vehicles and specialized carriers	0%	1%	2%
Rough terrain & truck cranes	6%	2%	
Part sales	28%	16%	15%
Total Revenue	100%	100%	100%

In 2009, no customers accounted for 10% or greater of the Company s revenue. Three customers, Cropac Equipment, Inc., Craneworks, Inc., and Allied Crane & Machinery accounted for 11%, 10%, and 10%, respectively, of the Company s revenue in 2008. In 2007, no customers accounted for 10% or greater of the Company s revenue.

Raw Materials

The Company both purchases and fabricates components used in production. Our Manitex subsidiary fabricates cranes which are mounted on truck chassis, which are either purchased by the Company or supplied by the customer. The Company purchases steel and a variety of machined parts and subassemblies including weldments, cylinders, winches, and cables. Manitex Liftking builds rough terrain forklifts, and other specialized carriers. Manitex Liftking fabricates its own cylinders, and masts using quality steel and the most modern technology. Manitex Liftking purchases engines, transmissions, axles, tire, rims and most of its frames. Badger equipment fabricates its frames and booms, but purchases engines, transmissions, axles, tires, rims and other components. Manitex Load King main purchased materials include steel, axles, suspensions, tires, wheels and other engineered components.

Table of Contents

Lead times for our components vary from several weeks to many months. The Company is vulnerable to an interruption of supply in instances when only one supplier has been qualified and qualification and supply source changes can exceed a year. The Company has been working on qualifying secondary sources to assure supply and to reduce costs. The degree to which our supply base can respond to changes in market demand directly affects our ability to increase production and the Company attempts to maintain some additional inventory in order to react to unexpected increases in demand. In 2009 and 2008, there were no significant shortages of raw materials that adversely affected production although in 2008 supply shortages did lead to increased prices for certain steel grades. The Company, however, has had its production in the past constrained at times by the ability of its weldments supplier to deliver sufficient quantities when needed.

Patents and Trademarks

The Company protects its trade names and trademarks through registration. Its technology consists of bill of materials, drawings, plans, vendor sources and specifications and although the Company s technology has considerable value, it does not generally have patent protection. Competitors will occasionally patent a unique feature; however, the broader technology does not have patent protection. The Company has (on rare occasions) filed for patent protection on a specific feature. In the future, the Company will consider seeking patent protection on any new design features believed to present a significant future benefit.

The Company owns and uses several trademarks relating to its brands that have significant value and are instrumental to the Company s ability to market its products. The Company s most significant trademarks are its mark Manitex (presently registered with the United States Patent and Trademark Office until 2017), and its mark LIFTKING (presently registered with the Canadian Intellectual Property Office until 2012). The Company s subsidiary, Manitex Load King ,sells its products using the trademarks Load King (presently registered with the United States Patent and Trademark Office until 2018) and also utilizes the trademark Power Fold (presently registered with the United States Patent and Trademark Office until 2018). Badger Equipment Company markets its products under the Little Giant and Badger trade names. The Manitex, LiftKing, Badger, Little Giant and Load King trademarks and trade names are critically important to the marketing and operation of the Company s business, as a significant number of our products are sold under those names. The use of the trade name Noble is also important to the Company s business. Although the Company does not own the Noble trade name, it has the right to use the Noble name in connection with its rough terrain forklift product line.

Seasonality

Traditionally, the Company s peak selling periods for cranes and commercial rough terrain forklifts are in the first half of a calendar year as a result of the need to have new equipment available for the spring, summer and fall construction seasons. The boom truck industry operated at full capacity during 2006 and operated at near full capacity again in 2007. Seasonality is reduced when the industry is operating at full capacity. The Company did not see a significant seasonal effect in 2008. The effect of the distress in the financial markets that occurred in late 2008 resulted in dramatically diminished liquidity and credit availability as well as the substantial deterioration in economic conditions in the United States and throughout the world. This financial crisis has resulted in a precipitous decrease in demand for our products in 2009. We did not see a normal seasonal pattern in 2009, due to the economic state of the economy and believe the present economic state makes historical seasonality trends for 2010 of limited value.

The Lifting Equipment segment s military, special mission oriented vehicles and specialized carriers business is dependent on the receipt of customers orders. The timing of customer orders can be expected to result in fluctuations in revenues from period to period. The expected fluctuations, however, are not of a seasonal nature.

Sales of cranes from the Equipment Distribution segment mirror the seasonality of the overall Company. However, the sale of parts is much less seasonal given the geographic breadth of the customer base. Crane repairs are performed by the Equipment Distribution segment throughout the year but are somewhat affected by the slowdown in construction activity during the typically harsh winters in the Midwestern United States.

Table of Contents

Competition

Lifting Equipment Segment

The market for the Company s boom trucks and sky cranes, commercial rough terrain forklifts, and trailers is highly competitive. The Company competes based on product design, quality of products and services, product performance, maintenance costs and price. Several competitors have greater financial, marketing, manufacturing and distribution resources than we do. The Company believes that it effectively competes with its competitors. An increasing market share for our crane products strongly supports this conclusion.

Military forklifts, special mission oriented vehicles and specialized carriers are highly engineered products and, therefore, only face limited competition. The Company s rough terrain cranes serve smaller niche markets and, therefore, also have less competition.

The Company s boom cranes compete with cranes manufactured by National Crane, Terex, Weldco Beales, Elliott and Altec. The Company s sky cranes compete with cranes manufactured by Elliott, Wilke, and Radocy. The Company competes with Linamar, Sellick, Harlo, Manitou, Mastercraft, and Load Lifter in selling rough terrain forklifts. The Company competes primarily with Terex and Broderson in selling rough terrain cranes. The North American specialty trailer industry is highly fragmented, but our competitors include: Aspen Custom Trailers, Landoll Corporation, Manaca, Inc., and Trail King.

Equipment Distribution Segment

Our Equipment Distribution segment has a dealership arrangement with Terex and must compete against dealers of other rough terrain and truck crane manufacturers such as Imperial Crane (Tadano) and Walter Payton Power (Grove) who operate in the same geographic market in and around Chicago. The same dynamic holds true in selling Manitex boom trucks which are part of our Lifting Equipment segment. The Equipment Distribution segment competes against Runnion Equipment (dealer for National Crane), Power Equipment Leasing (dealer for Elliott) and Guiffre Cranes (dealer for Terex boom trucks). Runnion is also authorized to sell Manitex boom trucks.

While no geographic limitations exist regarding the Equipment Distribution segment s ability to sell cranes internationally, the lack of any barriers to entry and the heavy use of the Internet make this a highly active and competitive market in which to distribute cranes.

Competition for our Distribution Equipment segment s repair business is even more intense since it is limited geographically due to the necessity of having physical access to the cranes. Most of the above referenced companies also compete in this aspect of the business, as do other types of crane and equipment dealers from nearby areas such as Indiana or Wisconsin.

Parts sales from the Equipment Distribution segment are global in scope and benefit greatly from the Internet and the tenure and expertise of our employees. While competition in this area is almost limitless, the breadth of the products offered and the segment s long history in this part of the business is we believe a competitive advantage.

The Equipment Distribution segment competes based on the design, quality, and performance of the products it distributes, price and the supporting repair and part services that it provides. Several competitors have greater financial, marketing, and distribution resources than we do. The Company, however, believes that it effectively competes with its competitors.

Backlog

The backlog at December 31, 2009 was approximately $22.1 million, compared to a backlog of approximately $15.7 million at December 31, 2008. The Company expects to ship product to fulfill its existing backlog within the next twelve months.

Table of Contents

Research and Development

The Company spent $0.8 million, $0.8 million and $0.8 million on company-sponsored research and development activities for 2009, 2008 and 2007, respectively.

Geographic Information

The information regarding revenue, the basis for attributing revenue from external customers to individual countries, and long-lived assets is found in Note 17. Segment Information to our consolidated financial statements, is hereby incorporated by reference into this Part I, Item 1.

Employees

As of December 31, 2009, the Company had 172 full time employees. The Company has not experienced any work stoppages and anticipates continued good employee relations. Thirty-three of our employees are covered by collective bargaining agreements. Thirty-one of our employees at our Badger subsidiary are represented by International Union, UAW and its local No. 316. The current union contract expires on January 21, 2011. Two employees are currently represented by Automobile Mechanics Local 701. The current union contract expires on October 1, 2011. The two employees represented by the Local 701 are mechanics that work in our Equipment Distribution segment. A number of our Equipment Distribution segment s customers in the Chicago metropolitan area mandate union mechanics usage for any service / repair jobs.

Governmental Regulation

The Company is subject to various governmental regulations, such as environmental regulations, employment and health regulations, and safety regulations. We have various internal controls and procedures designed to maintain compliance with these regulations. The cost of compliance programs is not material, but is subject to additions to or changes in federal, state or local legislation or changes in regulatory implementation or interpretation of government regulations.

ITEM 1A. RISK FACTORS

You should carefully consider the following risks, together with the cautionary statement under the caption Forward-Looking Statements and the other information included in this report. The risks described below are not the only ones the Company faces. Additional risks that are currently unknown to the Company or that the Company currently considers to be immaterial may also impair its business or adversely affect the Company s financial condition or results of operations. If any of the following risks actually occurs, the Company s business, financial condition or results of operation could be adversely affected.

Substantial deterioration in economic conditions, especially in the United States and Europe, have had and may continue to have negative effects on the Company s results of operations and cash flows

Substantial deterioration in economic conditions, especially in the United States and Europe, have had and may continue to have negative effects on the Company s results of operations and cash flows. Economic conditions affect the Company s sales volumes, pricing levels and overall profitability. Demand for many of the Company s products depends on end-use markets. Challenging economic conditions may reduce demand for our products and may also impair the ability of customers to pay for products they have purchased. As a result, the Company s reserves for doubtful accounts and write-offs f accounts receivable may increase.

Deterioration in the credit quality of our customers or the estimated residual value of our equipment could further negatively impact the ability of our customers to obtain the resources they need to make purchases of our equipment. Reduced credit availability will diminish our customers ability to invest in their businesses, refinance maturing debt obligations, and meet ongoing working capital needs. . If these customers do not have sufficient access to credit, demand for the Company s products will likely decline. Reduced access to credit and the capital markets will also negatively affect the Company s ability to invest in strategic growth initiatives such as acquisitions.

The Company may require additional funding, which may not be available on favorable terms or at all.

Our future capital requirements will depend on the amount of cash generated or required by our current operations, as well as additional funds which may be needed to finance future acquisitions. Future cash needs are subject to substantial uncertainty.

We cannot guarantee that adequate funds will be available when needed, and if we do not receive sufficient capital, we may be required to alter or reduce the scope of our operations or to forego making future acquisitions. If we raise additional funds by issuing equity securities, existing stockholders may be diluted.

The Company s business is sensitive to increases in interest rates.

The Company is exposed to interest rate volatility with regard to future issuances of fixed rate debt and existing issuances of variable rate debt. Primary exposure includes movements in the U.S. prime rate.

If interest rates rise, it becomes more costly for the Company s customers to borrow money to pay for the equipment they buy from the Company. Should the U. S. Federal Reserve Board decide to increase rates, prospects for business investment and manufacturing could deteriorate sufficiently and impact sales opportunities.

The Company s business is sensitive to government spending.

Many of the Company s customers depend substantially on government spending, including highway construction and maintenance and other infrastructure projects by U.S. federal and state governments and governments in other nations. Any decrease or delay in government funding of highway construction and maintenance, other infrastructure projects could cause the Company s revenues and profits to decrease.

The Company s business is affected by the cyclical nature of its markets.

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. Downward economic cycles may result in reductions in sales of the Company s products, which may reduce the Company s profits. The Company has taken a number of steps to reduce its fixed costs and diversify its operations to decrease the negative impact of these cycles. There can be no assurance, however, that these steps will prevent the negative impact of poor economic conditions.

The Company is dependent upon third-party suppliers, making us vulnerable to supply shortages.

The Company obtains materials and manufactured components from third-party suppliers. Any delay in the Company s suppliers abilities to provide the Company with necessary materials and components may affect the Company s capabilities at a number of our manufacturing locations, or may require the Company to seek alternative supply sources. Delays in obtaining supplies may result from a number of factors affecting the Company s suppliers including capacity constraints, labor disputes, the impaired financial condition of a particular supplier, suppliers allocations to other purchasers, weather emergencies or acts of war or terrorism. Any delay in receiving supplies could impair the Company s ability to deliver products to customers and, accordingly, could have a material adverse effect on business, results of operations and financial condition.

[Table of Contents](#)

In addition, the Company purchases material and services from suppliers on extended terms based on the Company s overall credit rating. Negative changes in the Company s credit rating may impact suppliers willingness to extend terms and increase the cash requirements of the business.

Price increases in some materials could affect our profitability.

We use large amounts of steel and other items in the manufacture of our products. In 2008, market prices of some of our key raw materials increased significantly. If we experience future significant increases in material costs including steel, we may not be 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.

The Company depends on its computer systems. If its computer systems do not perform in a satisfactory manner, it could be disruptive and or adversely affect the operations and results of operations of the Company, including the ability of the Company to report accurate and timely financial results.

The Company depends on its computer systems. If its computer systems do not perform in a satisfactory manner, it could be disruptive and or adversely affect the operations and results of operations of the Company, including the ability of the Company to report accurate and timely financial results. In the future, the Company may either install new releases for existing applications or replace existing systems. Systems implementations projects are often not successful. Even when projects are ultimately successful, the projects often require higher than anticipated financial and personal resources. In the future, should systems not be implemented successfully and within budget, or if the systems do not perform in a satisfactory manner, it could be disruptive and or adversely affect the operations and results of operations of the Company, including the ability of the Company to report accurate and timely financial results.

The Company s level of indebtedness reduces financial flexibility and could impede our ability to operate.

As of December 31, 2009, the Company s total debt was $33.5 million, which includes: revolving term credit facilities, notes payable, and capital lease obligations.

Our level of debt affects our operations in several important ways, including the following:

- a significant portion of our cash flow from operations is likely to be dedicated to the payment of the principal and interest on our indebtedness;
- our ability to obtain additional financing in the future for working capital, capital expenditures or acquisitions may be limited;
- we may be unable to refinance our indebtedness on terms acceptable to us or at all;
- our cash flow may be insufficient to meet our required principal and interest payments; and
- we may be unable to obtain additional loans as a result of covenants and agreements with existing debt holders.

The Company has debt outstanding and must comply with restrictive covenants in its debt agreements.

The Company s existing debt agreements contain a number of significant covenants which may limit its ability to, among other things, borrow additional money, make capital expenditures, pay dividends, dispose of assets and acquire new businesses. These covenants also require the Company to meet certain financial tests. The Company is currently in compliance with all active covenants. A default, if not waived by the Company s lenders, could result in acceleration of the Company s debt and possibly bankruptcy.

15

Table of Contents

Certain of the Company s products are substantially dependent on the level of capital expenditures in the oil and gas industry and lower capital expenditures will adversely affect the results of the Company s operations.

The demand for our product in part depends on the condition of the oil and gas industry and, in particular, on the capital expenditures of companies engaged in the exploration, development, and production of oil and natural gas. Capital expenditures by these companies are influenced by the following factors:

- the oil and gas industry s ability to economically justify placing discoveries of oil and gas reserves in production;
- the oil and gas industry s need to clear all structures from the lease once the oil and gas reserves have been depleted;
- weather events, such as major tropical storms;
- current and projected oil and gas prices;
- the abilities of oil and gas companies to generate, access and deploy capital;
- exploration, production and transportation costs;
- the discovery rate of new oil and gas reserves;
- the sale and expiration dates of oil and gas leases and concessions;
- local and international political and economic conditions;
- the ability or willingness of host country government entities to fund their budgetary commitments; and
- technological advances.

Historically, prices of oil and natural gas and exploration, development and production have fluctuated substantially. A sustained period of substantially reduced capital expenditures by oil and gas companies will result in decreased demand for certain equipment produced by the Company, low margins, and possibly net losses.

The Company may face limitations on its ability to integrate acquired businesses.

The Company has completed six acquisitions since 2006. The successful integration of new businesses depends on the Company s ability to manage these new businesses and cut excess costs. While the Company believes it has successfully integrated these acquisitions to date, the Company cannot ensure that these acquired companies will operate profitably or that the intended beneficial effect from these acquisitions will be realized.

If the Company is unable to manage anticipated growth effectively, the business could be harmed.

If the Company fails to manage growth, the Company s financial results and business prospects may be harmed. To manage the Company s growth and to execute its business plan efficiently, the Company will need to institute operational, financial and management controls, as well as reporting systems and procedures. The Company also must effectively expand, train and manage its employee base. The Company cannot assure you that it will be successful in any of these endeavors.

The Company relies on key management.

The Company relies on the management and leadership skills of David Langevin, Chairman and Chief Executive Officer. When Mr. Langevin joined the Company, he signed a three year employment agreement with the Company which expired on December 31, 2008. Mr. Langevin s employment agreement has been extended and now expires on June 15, 2012. Under the employment agreement, Mr. Langevin s employment term automatically extends for successive periods of one year unless either the Company or Mr. Langevin gives

16

Table of Contents

written notice to the other party of non-renewal at least 90 days prior to the end of the then current employment term. loss of his services could have a significant and negative impact on the Company s business. In addition, the Company relies on the management and leadership skills of other senior executives. Some of these executives do not have employment or non-compete agreements with the Company. The Company could be harmed by the loss of key personnel in the future.

The Company s success depends upon the continued protection of its trademarks and the Company may be forced to incur substantial costs to maintain, defend, protect and enforce its intellectual property rights.

The Company s registered and common law trademarks, as well as certain of the Company s licensed trademarks, have significant value and are instrumental to the Company s ability to market its products. The Company s marks Manitex Liftking and Load King are important to the Company s business as the majority of the Company s products are sold under those names. The Company has not registered all of its trademarks in the United States nor in the foreign countries where it does business. The Company cannot assure you that third parties will not assert claims against any such intellectual property or that the Company will be able to successfully resolve all such claims. If the Company has to change the names of any of its products, it may experience a loss of goodwill associated with its brand names, customer confusion and a loss of sales.

In addition, international protection of the Company s intellectual property may not be available in some foreign countries to the same extent permitted by the laws of the United States. The Company could also incur substantial costs to defend legal actions relating to use of its intellectual property, which could have a material adverse effect on the Company s business, results of operations or financial condition.

The Company may be unable to effectively respond to technological change, which could have a material adverse effect on the Company s results of operations and business.

The markets served by the Company are not historically characterized by rapidly changing technology. Nevertheless, the Company s future success will depend in part upon the Company s ability to enhance its current products and to develop and introduce new products. If the Company fails to anticipate or respond adequately to competitors product improvements and new production introductions, future results of operations and financial condition will be negatively affected.

The Company operates in a highly competitive industry and the Company is particularly subject to the risks of such competition.

The Company competes in a highly competitive industry and the competition which the Company encounters has an effect on its product prices, market share, revenues and profitability. Because certain competitors have substantially greater financial, production, research and development resources and substantially greater name recognition than the Company, the Company is particularly subject to the risks inherent in competing with them and may be put at a competitive disadvantage. To compete successfully, the Company s products must excel in terms of quality, price, product line, ease of use, safety and comfort, and the Company must also provide excellent customer service. The greater financial resources of the Company s competitors may put it at a competitive disadvantage. If competition in the Company s industry intensifies or if the Company s current competitors enhance their products or lower their prices for competing products, the Company may lose sales or be required to lower its prices. This may reduce revenue from the Company s products and services, lower its gross margins or cause the Company to lose market share. The Company may not be able to differentiate our products from those of competitors, successfully develop or introduce less costly products, offer better performance than competitors or offer purchasers of our products payment and other commercial terms as favorable as those offered by competitors.

The Company faces product liability claims and other liabilities due to the nature of its business.

In the Company s lines of business numerous suits have been filed alleging damages for accidents that have occurred during the use or operation of the Company s products. The Company is self-insured, up to certain

Table of Contents

limits, for these product liability exposures, as well as for certain exposures related to general, workers compensation and automobile liability. Insurance coverage is obtained for catastrophic losses as well as those risks required to be insured by law or contract. The Company does not believe that the final outcome of such matters will have a material adverse effect on its consolidated financial position; however any liabilities not covered by insurance could have an adverse effect on the Company s financial condition.

We are subject to currency fluctuations.

Our revenues are generated in U.S. dollars and Canadian dollars while costs incurred to generate revenues are only partly incurred in the same currencies. In addition, we have a note payable for approximately $1.0 million Canadian dollars. Changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on our earnings.

We engage in hedging activities to mitigate the impact of the translation of foreign currencies on our financial results. Our hedging activities are designed to reduce and delay, but not to eliminate, the effects of foreign currency fluctuations. Factors that could affect the effectiveness of our hedging activities include accuracy of sales forecasts, volatility of currency markets, and the availability of hedging instruments. Since the hedging activities are designed to reduce volatility, they not only reduce the negative impact of a weaker U.S. dollar, but they also reduce the positive impact of a stronger U.S. dollar. Our future financial results could be significantly affected by the value of the U.S. dollar in relation to the foreign currencies in which we conduct business. The degree to which our financial results are affected for any given time period will depend in part upon our hedging activities. There can be no assurance that our hedging activities will have the desired beneficial impact on our financial condition or results of operations. Moreover, no hedging activity can completely insulate us from the risks associated with changes in currency exchange rates.

Risks Relating to our Common Stock

The Company s principal shareholders, executive officers and directors hold a significant percentage of the Company s common stock, and these shareholders may take actions that may be adverse to your interests.

The Company s principal shareholders, executive officers and directors beneficially own, in the aggregate, approximately 30% of the Company s common stock as of March 3, 2010. As a result, these shareholders, acting together, will be able to significantly influence all matters requiring shareholder approval, including the election and removal of directors and approval of significant corporate transactions such as mergers, consolidations, sales and purchases of assets. They also could dictate the management of the Company s business and affairs. This concentration of ownership could have the effect of delaying, deferring or preventing a change in control or impeding a merger or consolidation, takeover or other business combination, which could cause the market price of our common stock to fall or prevent you from receiving a premium in such a transaction.

The cost of compliance with Section 404 of the Sarbanes-Oxley Act of 2002 may negatively impact the Company s income.

The Company is subject to the rules and regulations of the SEC, including those rules and regulations mandated by the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act requires all reporting companies to include in their annual report a statement of management s responsibilities for establishing and maintaining adequate internal control over financial reporting, together with an assessment of the effectiveness of those internal controls. Section 404 further requires that the reporting company s independent auditors attest to, and report on, this management assessment. The Company is not yet subject to the auditor attestation requirement of Section 404; however, the Company expects its expenses related to its internal and external auditors to be significant. If we fail to maintain a system of adequate controls, it could have an adverse effect on our business and stock price.

Table of Contents

The price of our common stock is highly volatile.

The trading price of the Company s common stock is highly volatile and could be subject to wide fluctuations in price in response to various factors, many of which are beyond the Company s control, including:

- the degree to which the Company successfully implements its business strategy;
- actual or anticipated variations in quarterly or annual operating results;
- changes in recommendations by the investment community or in their estimates of the Company s revenues or operating results;
- failure to meet expectations of industry analysts;
- speculation in the press or investment community;
- strategic actions by the Company s competitors;
- announcements of technological innovations or new products by the Company or competitors; and
- changes in business conditions affecting the Company and its customers.

The market prices of securities of companies without consistent earnings have been highly volatile. This volatility has often been unrelated to the operating performance of these companies. In the past, following periods of volatility in the market price of a company s securities, class action litigation has often been brought against the company. If a securities class action suit is filed against us, whether or not meritorious, we would incur substantial legal fees and our management s attention and resources would be diverted from operating our business in order to respond to the litigation.

Future sales of the Company s common stock by existing shareholders in the public market, or the possibility or perception of such sales, could depress the Company s stock price.

Sales of a large number of shares of the Company s common stock, or the availability of a large number of shares for sale, could adversely affect the market price of the Company s common stock and could impair the Company s ability to raise funds in additional stock offerings. Approximately 10,964,910 of the Company s shares are eligible for sale in the public market, approximately 976,856 of which are subject to applicable volume limitations and other restrictions set forth in Rule 144 under the Securities Act.

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.

***The NASDAQ Capital Markets may cease to list our Common Stock* which may cause the value of an investment in us to substantially decrease.**

We may be unable to meet the listing requirements of the Capital Markets of The NASDAQ Stock Market LLC (NASDAQ) in the future. To maintain a listing on the Capital Markets, a listed security must maintain a daily closing bid price per share of $1.00 and the market value of publicly held shares for such security must be greater than $5 million. If the closing bid price per share of a listed security stays below $1.00 or the market value of publicly held shares stays below $5 million for 30 consecutive trading days, a company will have a certain period of time to regain compliance or the listed security will be subject to delisting. For the closing bid price requirement, a company has 180 days to regain compliance and for the minimum market value of publicly held shares requirement, a company has 90 days to regain compliance.

The Company is currently in compliance with NASDAQ requirements. Our daily closing bid share price has, however, been below $1.00 and our total market cap has fallen below $5.0 million in the past twelve months. If our stock price would drop to under $1.00 or our market value of publicly held shares is below $5 million for 30 consecutive trading days, the Company would be out of compliance with the NASDAQ listing requirements. The Company would have a certain period of time to regain compliance after which our stock would be subject to delisting.

If our Common Stock is delisted, there may be a limited market for our common stock, trading in the shares of the delisted common stock may become more difficult and the share price for our delisted Common Stock could decrease even further. Our common stock if not listed on NASDAQ or another national securities exchange, may cause potential investors to be prohibited from or less likely to purchase our Common Stock. Such delisting could also adversely affect our ability to obtain financing for the continuation of our operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES

The Company s executive suites are located at 7402 W. 100th Place, Bridgeview, Illinois 60455. The Company has five principal operating plants. The Company builds boom cranes, and sign cranes in its 188,000 square foot leased facility located in Georgetown, Texas. The Company builds rough terrain forklifts and special mission oriented vehicles, as well as other specialized carriers in its 85,000 square foot leased facility located in Woodbridge, Ontario. The Company builds specialized rough terrain cranes and material handling product in its 170,000 sq. ft. leased facility located in Winona, Minnesota. The Company builds its specialized highly engineered trailers in its 106,000 sq. ft. owned facility in Elk Point, South Dakota. The Company builds indoor forklifts and operates its crane distribution business in 86,000 square feet leased facility located in Bridgeview, Illinois. The Company s executive offices are also located in this facility.

All our facilities are used exclusively by our Lifting Equipment segment except for our Bridgeview facility. The Bridgeview facility houses our corporate offices and our Crane & Machinery and Schaeff Lift Truck divisions. The Schaeff Lift Truck Division is in our Lifting Equipment segment and our Crane and Machinery division comprises our Equipment Distribution segment.

Table of Contents

The Company believes that its facilities are suitable for its business and will be adequate to meet our current needs.

ITEM 3. 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 fifty 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.

One of our insurance carriers has denied coverage for two product liability claims. The Company believes the insurance companies basis for denial of coverage is improper. As such, the Company has engaged outside legal representation to challenge the insurance companies denial of coverage. Currently, the Company is engaged in a declaratory judgment action which contests the denial of coverage. This suit was filed by Colony National Insurance Company against Manitex LLC, Manitex Inc., Manitex Skycrane, LLC, Quantum Equipment, LLC f/k/a Quantum Heavy Equipment, LLC, Quantum Value Management, LLC, Quantum Value Partners, LP and JLG Industries, Inc. It was filed October 2, 2009 in the United States District Court for the Western District of Texas, Austin Division, cause number A09CA724. The Lexington Insurance Company that provides excess coverage over the Colony policy filed a motion to intervene in this action December 8, 2009. That motion has been granted. Colony and Lexington seek a ruling by the court that the defense of JLG in the underlying product liability litigation is not covered by their policies.

Colony has asserted several grounds for its denial of coverage including that JLG is not a named insured under its policy, that the indemnity agreement under which the Company is providing for the defense of JLG is not an insured contract under its policy, and that Company voluntarily undertook the defense of JLG for which Colony is not responsible. Lexington asserts basically the same claims plus that it did not receive notice of the claim in accordance with its policy terms and that its exclusion for Professional Services also applies to exclude coverage for the underlying claims.

The Company has answered the Colony complaint and filed a counterclaim against Colony alleging its right to coverage and seeking its costs for JLG s defense and related costs for Colony s bad faith refusal to provide defense coverage. In addition to the legal interpretation of the policy terms, The Company relies on the fact that the underlying claims at issue here are virtually identical to an earlier claim against JLG for which Colony provided coverage under the same policy. The Company has also answered the Lexington complaint in intervention generally denying that Lexington is entitled to avoid coverage should the underlying claim exceed the primary policy limits. The Company believes that it has a meritorious position on coverage under both policies.

ITEM 4. (REMOVED AND RESERVED)

PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for the Company s Common Stock

On May 28, 2008, the Company s common stock was listed on The Nasdaq Capital Market trading under the symbol MNTX. Prior to that date, the Company s common stock was listed on the NYSE Euronext (formerly known as the American Stock Exchange). The following table sets forth the high and low sales prices of the common stock for the fiscal periods indicated, as reported on The Nasdaq Capital Market and the NYSE Euronext, as applicable:

Price Range of Common Stock

2009	**High**	**Low**
First Quarter	$ 1.60	$ 0.39
Second Quarter	1.20	0.72
Third Quarter	2.40	0.52
Fourth Quarter	$ 2.99	$ 1.66
2008	**High**	**Low**
First Quarter	$ 6.05	$ 4.00
Second Quarter	5.99	3.55
Third Quarter	5.15	2.79
Fourth Quarter	$ 3.40	$ 0.63

Number of Common Stockholders

As of March 3, 2010, there were 59 record holders of the Company s common stock.

Dividends

During the fiscal years ended December 31, 2009, 2008 and 2007, the Company did not declare or pay any cash dividends on its common stock and the Company does not intend to pay any cash dividends in the foreseeable future. Furthermore, the terms of our credit facility do not allow us to declare or pay dividends without the prior written consent of the lender.

Issuer Purchases of Equity Securities

The following table provides information about the Company s purchases of equity securities during the quarter ended December 31, 2009:

Period	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number or approximate dollar value of shares that may yet be purchased under the plans or programs
October 1 through October 31, 2009	2,619	$ 2.27		
November 1 through November 30, 2009				
December 1 through December 31, 2009				

Total	2,619	$	2.27

(1) Represents shares delivered in payment of withholding taxes in connection with restricted stock vesting by participants under the Company s 2004 Amended and Restated Equity Incentive Plan.

Table of Contents

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with our financial statements and the related notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this report.

The Company implemented a 1-for-3.730879244 reverse stock split to its shareholders of record on February 7, 2005, which resulted in the Company having 804,100 shares issued and outstanding on such date. All share and per share amounts have been restated to retroactively reflect the stock splits for all periods.

The Company saw significant strategic change in 2006 and 2007. In fiscal 2006, we completed two acquisitions that introduced boom trucks, sign cranes and lifting equipment into our operations as a second business segment. Effective July 3, 2006, the Company completed the purchase of Manitex, Inc. (Manitex subsidiary) 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 (Mantes Liftking), completed the acquisition (the Liftking Acquisition) of all of the operating assets of Liftking Industries, Inc., an Ontario, Canada corporation (Liftking). On July 31, 2007, the Company further expanded its Lifting Equipment segment by purchasing of the Noble Forklift product line. 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) from GT Distribution, LLC (GT) (an entity in which Mr. Langevin, our Chairman and CEO, had 38.8% membership interest). Crane is a Chicago area based distributor of Terex and Manitex cranes and is a separate new segment, entitled Equipment Distribution. On July 10, 2009, the Company completed the purchase of Badger Equipment Company (Badger) by acquiring 100% of the capital stock of Badger. On December 31, 2009, the Company, through its wholly owned subsidiary, Manitex Load King Inc., a Michigan corporation (Load King), completed the acquisition of substantially all of the operating assets and business operations related to Genie Industries, Inc. s specialized low-bed, heavy-haul, bottom-dump and platform trailer manufacturing business located in Elk Point, South Dakota. The trailers, except the bottom-dump, are typically used for transporting heavy equipment. The results for the acquisitions have been included from their respective dates of the acquisition.

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 until its disposition. 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 $1.1 million. This transaction was completed on August 1, 2007. As of August 31, 2007, all operations of the Company s Testing & Assembly Equipment segment had ceased. The Testing & Assembly Equipment segment operated from a leased facility. The lease termination date for this facility was August 31, 2007. The below financial data for the years 2005 to 2009 present the former Testing & Assembly Equipment segment as a discontinued operation. See Note 6 in the consolidated financial statements for further details.

Table of Contents

	AS OF OR FOR THE YEAR ENDED DECEMBER 31,				
	2009	2008 (1)	2007 (1)	2006 (1)	2005 (1)
Continuing operations:					
Revenues	$ 55,887	$ 106,341	$ 106,946	$ 40,676	$
Operating income (loss) from operations	3,344	3,408	6,353	1,159	(584)
Income (loss) from continuing operations before income taxes	1,542	1,392	2,289	(786)	(429)
Provision (benefit) for taxes on income (1)	(2,097)	(407)	163	(239)	(142)
Net income (loss) from continuing operations	3,639	1,799	2,126	(547)	(287)
Discontinued operations:					
Income (loss) from discontinued operations, net		199	(1,122)	(8,342)	(1,965)
Gain (loss) on sale or closure of discontinued operations, net of income tax		200	(48)		
Net income (loss)	$ 3,639	$ 2,198	$ 956	$ (8,889)	$ (2,252)
Basic earning (loss) per share:					
Income (loss) from continuing operations	$ 0.33	$ 0.18	$ 0.25	$ (0.10)	$ (0.07)
Income (loss) from discontinued operations, net of income taxes	$	$ 0.02	$ (0.13)	$ (1.56)	$ (0.45)
Gain (loss) on sales or closure of discontinued operations, net of income taxes	$	$ 0.02	$ (0.01)	$	$
Net income (loss)	$ 0.33	$ 0.22	$ 0.11	$ (1.66)	$ (0.52)
Diluted income (loss) per share:					
Income (loss) from continuing operations	$ 0.33	$ 0.17	$ 0.23	$ (0.10)	$ (0.07)
Income (loss) from discontinued operations, net of income taxes	$	$ 0.02	$ (0.12)	$ (1.56)	$ (0.45)
Gain (loss) on sales or closure of discontinued operations, net of income taxes	$	$ 0.02	$ (0.01)	$	$
Net incomes (loss)	$ 0.33	$ 0.21	$ 0.10	$ (1.66)	$ (0.52)
Shares used to calculate earnings per share:					
Basic	10,957,646	10,071,585	8,557,095	5,346,225	4,339,649
Diluted	10,965,444	10,375,062	9,214,407	5,346,225	4,339,649
Total assets:					
Continuing operations	$ 94,685	$ 86,228	$ 80,003	$ 82,114	$ 5,131
Discontinued operations			172	1,730	12,096
Total assets	$ 94,685	$ 86,228	$ 80,175	$ 83,844	$ 17,227
Total debt:					
Continuing operations	$ 33,511	$ 28,061	$ 24,994	$ 36,980	$
Discontinued operations					
Total debt	$ 33,511	$ 28,061	$ 24,994	$ 36,980	$
Total shareholders equity	$ 40,428	$ 35,014	$ 30,686	$ 18,440	$ 16,171

(1) The financial data for the years 2005 to 2008 presents the former Testing & Assembly Equipment segment as a discontinued operation.

Table of Contents

ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management s discussion and analysis of financial condition and results of continuing operations should be read in conjunction with the Company s financial statements and notes, and other information included elsewhere in this Report.

FORWARD-LOOKING STATEMENTS

When reading this section of this Annual Report on Form 10-K it is important that you also read the financial statements and related notes thereto. This Annual Report on Form 10-K and certain information incorporated herein by reference contain forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements contained in this Annual Report on Form 10-K, other than statements that are purely historical, are forward-looking statements and are based upon management s present expectations, objectives, anticipations, plans, hopes, beliefs, intentions or strategies regarding the future. We use words such as anticipate, estimate, plan, project, continuing, ongoing, expect, believe, intend, may, will, should, could, and similar expressions to identify forward lo
Forward-looking statements in this Annual Report on Form 10-K include, without limitation: (1) projections of revenue, earnings, capital structure and other financial items, (2) statements of our plans and objectives, (3) statements regarding the capabilities and capacities of our business operations, (4) statements of expected future economic performance and (5) assumptions underlying statements regarding us or our business.

It is important to note that our actual results could differ materially from those included in such forward-looking statements due to a variety of ***factors including:*** (1) substantial deterioration in economic conditions, especially in the United States and Europe; (2) our customers diminished liquidity and credit availability; (3) difficulties in implementing new systems, integrating acquired businesses, managing anticipated growth, and responding to technological change; (4) our ability to negotiate extensions of our credit agreements and to obtain additional debt or equity financing when needed; (5) the cyclical nature of the markets we operate in; (6) increases in interest rates; (7) government spending; fluctuations in the construction industry, and capital expenditures in the oil and gas industry; (8) the performance of our competitors; (9) shortages in supplies and raw materials or the increase in costs of materials; (10) our level of indebtedness and our ability to meet financial covenants required by our debt agreements; (11) product liability claims, intellectual property claims, and other liabilities; (12) the volatility of our stock price; (13) future sales of our common stock; (14) the willingness of our stockholders and directors to approve mergers, acquisitions, and other business transactions; (15) currency transactions (foreign exchange) risks and the risk related to forward currency contracts; and (16) certain provisions of the Michigan Business Corporation Act and the Company s Articles of Incorporation, as amended, Amended and Restated Bylaws, and the Company s Preferred Stock Purchase Rights may discourage or prevent a change in control of the Company; (17) NASDAQ Capital Markets may cease to list our Common Stock; and (18) other risks described in the section entitled Risk Factors and elsewhere in our Annual Report on Form 10-K.

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

Historically, the Company designed, developed, and built specialty Testing & Assembly Equipment for the automotive and heavy equipment industries that identifies defects through the use of signature analysis and in-process verification. In fiscal 2006, the Company completed two acquisitions that introduced Lifting Equipment into the Company operations as a second segment of activity. Effective July 3, 2006, the Company completed the purchase of Manitex, Inc. (Manitex subsidiary) via an acquisition of all of the membership interests in Quantum Value Management, LLC (an entity owned by certain stockholders). A leading provider of engineered lift solutions in North America, the Manitex subsidiary is based in Georgetown, Texas. The Manitex subsidiary designs, manufactures, and 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. 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). Manitex Liftking is headquartered in Woodbridge (Toronto), Ontario and manufactures 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. On July 31, 2007, the Company further expanded its Lifting Equipment segment by purchasing the Noble Forklift product line. The Noble product line is comprised of four rough terrain forklifts in several configurations, which are being produced in the Company s existing facilities located in Georgetown, Texas and Woodbridge, Ontario. 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) from GT Distribution, LLC. Schaeff, which produces a line of stand-up electric forklifts, further expands the Lifting Equipment segment. Crane is a Chicago area based distributor of Terex and Manitex cranes and comprises a separate segment, entitled Equipment Distribution.

On July 10, 2009, the Company completed the purchase of Badger Equipment Company (Badger) located in Winona, Minnesota by acquiring of the issued and outstanding capital stock of Badger. Badger is a manufacturer of specialized rough terrain cranes and material handling products, including a newly introduced 30-ton model, the first in new line of specialized high quality rough terrain cranes. Badger primarily serves the needs of the construction, municipality, and railroad industries. On December 31, 2009, the Company, through its wholly owned subsidiary, Manitex Load King Inc., a Michigan corporation (Load King), completed the acquisition of substantially all of the operating assets and business operations related to Genie Industries, Inc. s specialized low-bed, heavy-haul, bottom-dump and platform trailers manufacturing business located in Elk Point, South Dakota. Load King trailers serve niche markets in the commercial construction, railroad, military, and equipment rental industries through a dealer network. The trailers, except the bottom dump, are typically used for transporting heavy equipment. Load King complements our existing material handling business.

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. In connection with the preparation of our 2006 year-end financial statements, the Board determined that certain assets used in connection with our Testing & Assembly Equipment segment were impaired. Accordingly, we recorded an impairment charge of $6.6 million.

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 until its disposition. 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 $1.1 million. This transaction was completed on August 1, 2007. As of August 31, 2007, all operations of the Company s Testing & Assembly Equipment segment had ceased. The Testing & Assembly Equipment segment operated from a leased facility. The lease termination date for this facility was August 31, 2007.

Table of Contents

As a result of the Company s decision to sell the Testing & Assembly Equipment segment, the results of this operation have been reported as a discontinued operation for all periods presented in the Consolidated Financial Statements. As result of discontinuing our Testing & Assembly Equipment segment, the Company operated in only a single business segment, Lifting Equipment, until October 6, 2008 when the Company acquired Crane. As noted above, Crane is a Chicago area based distributor of Terex and Manitex cranes and comprises a separate segment, entitled Equipment Distribution.

The Company, except for our Equipment Distribution segment, derives most of its revenue from purchase orders from dealers and distributors. Our Equipment Distribution segment is a distributor, which sells its products principally to the end user.

Historically, the demand for the Company s products has depended 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, typically causes our customers to forego or postpone new purchases in favor of repairing existing machinery.

Beginning in September of 2008, the United States and world financial markets came under unprecedented stress. The immediate impact was a dramatic decrease in liquidity and credit availability throughout the world. An incredibly rapid and significant deterioration in economic conditions, especially in the United States and Europe followed. These events had an immediate significant adverse impact on the Company, including a very dramatic curtailment of new orders, requests to delay deliveries and, in some cases to cancel existing orders. The deterioration in economic conditions is ongoing and the ultimate extent of the current recession and the timing of the recovery is unknown. The actions of the United States and other world governments to stimulate the world economy are also unprecedented. The United States stimulus package includes very significant appropriations for improving the country s infrastructure, which could be a significant benefit to the Company. The ultimate success of governmental actions and the resulting benefits that the Company may see, however, remain unknown.

In response to the impact of economic conditions and longer sales cycles, it was determined that swift management action was necessary to ensure that operating activity was balanced with current demand levels. Since the end of the third quarter 2008, we have implemented across the board cost reductions. The specific actions taken to achieve these cost reductions comprise headcount reductions of salaried and hourly employees, virtual elimination of overtime, suspension of additional hires and merit increases, reduction in executive and salaried pay, bonus and benefits and the introduction of shortened work weeks. Management believes that these actions, although difficult, are required to enable the Company to adjust to current conditions and position it to respond quickly when the market recovers. Certain of the aforementioned actions were implemented before December 31, 2008. Significant additional steps were implemented shortly after year end December 31, 2008. The Company continued to monitor its cost structure and made some additional adjustments during 2009. Restructuring costs were $.03 million and $0.3 million for 2009 and 2008, respectively.

Additionally the Company has expanded its sales efforts, which includes an expanded focus into international markets and selling to rental companies with a national scope, as well as supply chain cost reductions.

Gross Profit varies from period to period. Factors that affect gross profit include product mix, production levels and cost of raw materials. Margins tend to increase when production is skewed towards larger capacity cranes, special mission oriented vehicles, specialized carriers and heavy material transports.

Table of Contents

The following table sets forth certain financial data for the three years ended December 31, 2009, 2008, and 2007:

Results of Consolidated Operations

MANITEX INTERNATIONAL, INC.

(Thousands of Dollars, except share data)

	Year Ended December 31, 2009	Year Ended December 31, 2008 (1)	Year Ended December 31, 2007 (1)
Net revenues	$ 55,887	$ 106,341	$ 106,946
Cost of sales	44,730	88,876	87,027
Gross profit	11,157	17,465	19,919
Operating expenses			
Research and development costs	836	819	808
Restructuring expenses	255	329	
Selling, general and administrative expense, including corporate expense of $1,997; $3,042, and $3,756 for 2009, 2008 and 2007, respectively	10,537	12,909	12,758
Gain on bargain purchase	(3,815)		
Total operating expenses	7,813	14,057	13,566
Operating income from continuing operations	3,344	3,408	6,353
Other income (expense)			
Interest income			6
Interest expense	(1,864)	(1,961)	(3,438)
Foreign currency transaction gains (loss)	59	(99)	(751)
Other income (expense)	3	44	119
Total other expense	(1,802)	(2,016)	(4,064)
Income from continuing operations before income taxes	1,542	1,392	2,289
Provision (benefit) for taxes on income	(2,097)	(407)	163
Net income from continuing operations	3,639	1,799	2,126
Discontinued operations:			
Income (loss) from discontinued operations, net of income taxes (benefit) of $0, and $0 in 2008, and 2007, respectively		199	(1,122)
Gain (loss) on sale or closure of discontinued operations, net of income tax $0 and $0 in 2008 and 2007, respectively		200	(48)
Net income	$ 3,639	$ 2,198	$ 956

(1) The financial data for 2008 and 2007 presented reflects the former Testing & Assembly Equipment segment as a discontinued operation.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The results for acquisitions are included from the date of acquisition: July 31, 2007 for the Noble product line; October 6, 2008 for the assets of Crane & Machinery, Inc.;. and Schaeff Lift Truck, Inc.; July 10, 2009 for Badger Equipment Company; and December 31, 2009 for the assets of Manitex Load King, Inc. The Company acquired its Equipment Distribution segment on October 6, 2008 with the acquisition of substantially all the assets of Crane & Machinery. As a result, 2009 includes a full year result for Crane and Schaeff and six months for Badger. The results for 2008 include three months of operations for Crane and Schaeff. The operating results for 2009 and 2008 were not impacted by the Manitex Load King acquisition as the transaction closed on December 31, 2009.

Net income

The net income of $3.6 million for the year ended December 31, 2009 is entirely from continuing operations. The net income of $2.2 million reported for the year ended December 31, 2008 consists of net income from continuing operations of $1.8 million, earnings from discontinued operations of $0.2 million and a gain on sale of discontinued operations of $0.2 million.

The results for 2009 include gains on bargain purchases of $900 and $2,915 recorded in connection with the Badger and Load King acquisitions, respectively. See Note 18 in the Consolidated Financial Statements for additional details concerning the gain.

Results of continuing operations

For the year ended December 31, 2009, net income from continuing operations was $3.6 million, which consists of revenue of $55.9 million, cost of sales of $44.7 million, gains on bargain purchases of $3.8 million, research and development costs of $0.8 million, SG&A costs excluding corporate expenses of $8.5 million, corporate SG&A expenses of $2.0 million, restructuring expenses of $0.3 million, interest expense of $1.9 million, foreign currency transaction gain of $0.1 million and income tax benefit of $2.1 million.

For the year ended December 31, 2008, net income from continuing operations was $1.8 million, which consists of revenue of $106.3 million, cost of sales of $88.9 million, research and development costs of $0.8 million, SG&A costs excluding corporate expenses of $9.9 million, corporate SG&A expenses of $3.0 million, restructuring expenses of $0.3 million, interest expense of $2.0 million and other expense, foreign currency transaction expense of $0.1 million and income tax benefit of $0.4 million.

Net revenue and gross profit For the year ended December 31, 2009, net revenue and gross profit were $55.9 million and $11.2 million, respectively. Gross profit as a percent of sales was 20.0% for the year ended December 31, 2009. For the year ended December 31, 2008, net revenue and gross profit were $106.3 million and $17.5 million, respectively. Gross profit as a percent of revenues was 16.4% for the year ended December 31, 2008. Excluding the effect of the Badger, Crane and Schaeff acquisitions revenues would have decreased $58.7 million, as Badger had 2009 revenues of $3.7 million and Crane and Schaeff had revenues of $2.8 million and $1.8 million for the nine months ended September 30, 2009, respectively. Our fourth quarter results for both 2009 and 2008 included revenues for Crane and Schaeff operations as these two operations were acquired on October 6, 2008.

The decrease in revenues is attributed to the unprecedented stress in the world financial markets and the significant deterioration in economic conditions, especially in the United States and Europe that followed. The Company has experienced significant decreases in revenues across all its commercial product lines. However, our revenue from military sales, which have historically fluctuated significantly from year to year, were up over 100% in 2009. Our military related revenues in total comprised approximately 6% of 2009 total revenues. The overall decrease in revenues is overwhelmingly due to a decrease in unit sales of the Company s heavy equipment products. Part sales (which traditionally account for approximately 16% of total revenues) have been adversely impacted. The percentage decrease in part sales was, however, not as severe as it was for unit sales. Part sales as a percent of total revenues increased to 28/% in 2009 from 16% in the prior year. Although boom truck revenues were down dramatically in 2009, due to an overall market conditions, we were encouraged to see that our market share for boom trucks (our most significant product) continues to increase. Our market share for boom trucks increased to 36% for 2009 from 30% in 2008 and 21% in 2007.

Additionally, orders with a total value of $3.4 million, which were shipped predominately in October and November, were not included in our 2009 revenues, as we would have expected. These particular items were shipped F.O.B destination and had not been received by the customer as of December 31, 2009 and as such could not be included in 2009 revenues. The customer, an international agency, purchased the items and had us ship the units to remote locations, which accounted for the extremely long delivery times. The units have now been received by the customers and will be included in our first quarter 2010 revenues.

Gross profit as a percent of net revenues increased to 20.0% for the year ended December 31, 2009 from 16.4% for the comparable 2008 period, an improvement of 3.6%. This improvement is attributed to a significant improvement in our margin for material handling products and the favorable effect that the Crane and Schaeff acquisition had on our gross margin percent. The improvement in forklift/specialized carrier margin percent is due to restructuring activities that occurred during the second half of 2008 and the first quarter of 2009, a weakening of the Canadian dollar, and a favorable product mix (the result of increased military business). Crane and Schaeff margins were high as part sales accounted for a very significant portion of their 2009 revenues. Part sales across all product lines have higher margins. Our crane products gross margin percent for 2009 decreased slightly from the prior year (less than 1%) as our restructuring initiatives and other cost savings measures did not fully offset the effect of a change in mix towards lower tonnage cranes and the decrease in volume.

Restructuring expenses During the third quarter of 2008, the Company began to restructure the manufacturing processes at its Manitex Liftking facility with the objective of improving production efficiencies and lowering our costs. The Company began to experience the benefits of the staffing reductions in the fourth quarter of 2008. An evaluation of the current staffing has been completed and as a result, the workforce was reduced by 26 employees to align the size of our workforce to our current production requirements. In connection 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.

We began to experience the effects of the current economic recession in September of 2008, which resulted in a dramatic curtailment of our new orders, requests to delay deliveries and, in some cases to cancellation of existing orders. In response to these adverse economic conditions and longer sales cycles, management took action to balance its operations with decreased demand levels. The specific actions taken to achieve these cost reductions included headcount reductions of salaried and hourly employees, virtual elimination of overtime, suspension of additional hires and merit increases, reduction in executive and salaried pay, bonus and benefits and the introduction of shortened workweeks. These actions, although difficult, were required to enable the Company to adjust to current conditions and position it to respond quickly when the market recovers. Certain of the aforementioned actions were implemented before December 31, 2008. Significant additional steps were implemented shortly after year end and still other additional staff reductions occurred during the remainder of 2009.

The following is summary of staff reductions and restructuring expenses (severance payments):

	Year Ended December 31, 2009			Year Ended December 31, 2008		
	Staff reduction	Severance	Average	Staff reduction	Severance	Average
Normal course				26	$ 236 thousand	$ 9 thousand (1)
Related to economic conditions	67	$ 255 thousand	$ 4 thousand	53	93 thousand	$ 2 thousand
Total	67	$ 255 thousand	$ 4 thousand	79	$ 329 thousand	$ 4 thousand

(1) Canadian law requires that a minimum severance based on years of service be paid to terminated employees. As a result, it is generally more costly to terminate an employee in Canada. As expected the average severance costs for our Manitex Liftking facility (located in Ontario, Canada) are higher.

Table of Contents

Additionally, the Company is focused on several new North American and international sales initiatives and supply chain cost reduction initiatives which are designed to continue market share gains, and to improve margins and profitability.

Selling, general and administrative expense Selling, general and administrative expense for the year ended December 31, 2009 was $10.5 million compared to $12.9 million for the comparable period in 2008. Corporate expenses were $2.0 million and $3.0 million for the years ended December 31, 2009 and 2008, respectively. Selling, general and administrative, excluding corporate expenses, decreased $1.3 million to $8.5 million for the year ended December 31, 2009 from $9.9 million for the prior year. Excluding the effect of the Badger, Crane and Schaeff acquisitions selling, general and administrative expense (excluding corporate expenses) would have decreased $3.3 million, as Badger had 2009 expenses of $0.5 million and Crane and Schaeff had expenses of $0.8 million and $0.8 million for the nine months ended September 30, 2009, respectively. Our fourth quarter results for both 2008 and 2009 included selling, general and administrative expenses for the Crane and Schaeff operations as these two operations were acquired on October 6, 2008. A decrease in compensation expenses, including commissions, account for approximately 50% of the decrease. The decrease in compensation expenses is attributed to headcount reductions of salaried and hourly employees, virtual elimination of overtime, suspension of additional hires and merit increases, reduction in salaried pay, and benefits and the introduction of shortened workweeks as well as the impact that lower sales had on commissions. A decrease in show expenses and travel account for another 20% of the decrease. Show and travel expenses were down in part because 2008 included costs of approximately $0.3 million related to our participation 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. The remaining decrease is due a number of other factors including a decrease in legal expense and lower average Canadian exchange rate for 2009.

Corporate expenses decreased $1.0 million to $2.0 million for the year ended December 31, 2009 from $3.0 million for the comparable period in 2008. Approximately 70% of the decrease is related to decreased compensation costs, the result of salary reductions, elimination of bonuses and lower stock related compensation, as the Company did not make any stock grants in 2009. The remainder of the decrease is related to decreases in several expense items including decrease in legal costs, recruiting fees, lower D&O insurance premiums and a decrease in public relation expenses.

Gain on bargain purchases The results for 2009 includes gains on bargain purchases of $900 and $2,915 recorded in connection with the Badger and Load King acquisitions, respectively. In accordance with ASC 805, any excess of fair value of acquired net assets over the acquisition consideration results in a bargain purchase in accordance with acquisition method of accounting, any resulting gain on bargain purchase must be recognized in earnings on the acquisition date. The gains on bargain purchases are disclosed on a separate line in the Company consolidated statement of operations for year ended December 31 2009. See Note 18 in the Consolidated Financial Statements for additional details concerning the gain.

Operating income The Company, had operating income of $3.3 million and $3.4 million for the years ended December 31, 2009 and 2008, respectively. Adjusting operating income to exclude the gains on bargain purchases would have resulted in an adjusted operating loss of $0.5 million for the year ended December 31, 2009. The decrease in operating income, excluding gains on bargain purchases, is entirely attributed to a decrease in revenues as the gross profit percent improved by 3.6% to 20.0% for 2009 from 16.4% for 2008 and operating expenses decreased by $2.4 million (excluding the gain on bargain purchases).

Interest expense Interest expense was $1.9 million and $2.0 million for the years ended December 31, 2009 and 2008, respectively. The decrease in interest is due to lower interest rates through July 9, 2009. The prime rate decreased in several increments from 7.25% at January 8, 2008 to 3.25% at December 16, 2008. The prime rate remained unchanged at 3.25% for the entire year ended December 31, 2009. The Company benefits from lower interest rates as a significant portion of our debt is indexed to the prime rate.

However, on July 9, 2009 the Company and its bank amended the Revolving Credit Facility, the Revolving Canadian Credit Facility and its Term loan. Under the agreements the maturity dates were extended from April 1, 2010 to April 1, 2012. In connection with the extension, the Company agreed to increased interest rates. The interest on U.S. borrowing increased from prime rate plus .25% to prime plus 2.0%; interest rates on Canadian borrowings increased from Canadian prime rate plus 1.50% to Canadian prime rate plus 3.0%; and interest on its term loan increased from the prime rate plus 1% to the prime rate plus 2.5%. The effect of the aforementioned increases in interest rates was offset by a decrease in the prime rate.

Modestly higher average outstanding debt for 2009 compared to average outstanding debt for 2008 partially offset the effect of lower interest rates for the first six months. The increase in average debt is attributed to acquisition debt related to Crane, Schaeff (acquired October 6, 2008) and Badger (acquired July 10, 2009) which was partially offset by lower balances on credit lines, our term debt and the Manitex Liftking acquisition note.

Foreign currency transaction gains and loss The Company attempts 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. 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.

The foreign currency transaction gain for the year ended December 31, 2009 was $0.1 million and the foreign currency loss was $0.1 million for the year ended December 31, 2008. The aforementioned foreign currency gain or loss is net of forward currency contracts gains and losses.

Income tax (benefit) The income tax benefit was $2.1 million and $0.4 million for the years ended December 31, 2009 and 2008, respectively. The 2009 tax benefit is primarily related to the reversal in valuation allowance related to the change in realizability of the Company s deferred tax assets, as deferred tax liabilities were recorded in connection with the Badger and Load King acquisition. 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 for the year ended December 31, 2009 was $3.6 million. This compares with a net income from continuing operations for the year ended December 31, 2008 of $1.8 million.

Discontinued operations

For the year ended December 31, 2008, discontinued operations reported net income of $0.2 million. For 2008, discontinued operations had income 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. Additionally, the Company recorded a gain of $0.2 million on the sale or closure of a discontinued operation. The gain resulted from the reversal a reserve for termination of contracts, as it was determined that it was not needed.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

The results for acquisitions have been included in the accompanying consolidated statement of operations from the date of their respective acquisition, i.e., July 31, 2007 for the Noble product line acquisition and October 6, 2008 for the Crane and Schaeff acquisition. As a result 2008 includes a full year of results for the Noble product line and three months for the Crane and Schaeff acquisition. The results for 2007 include results for the Noble product line for five months, although these are not significant.

Table of Contents

Net income (loss)

The net income of $2.2 million reported for the year ended December 31, 2008 consists of net income from continuing operations of $1.8 million, earnings from discontinued operations of $0.2 million and a gain on sale of discontinued operations of $0.2 million. The net income of $1.0 million reported for the year ended December 31, 2007 consists of net income from continuing operations of $2.1 million offset by a loss from discontinued operations of $1.1 million and an expected loss on sale of discontinued operations of $0.05 million.

Results of continuing operations

For the year ended December 31, 2008, net income from continuing operations was $1.8 million, which consists of revenue of $106.3 million, cost of sales of $88.9 million, research and development costs of $0.8 million, SG&A costs excluding corporate expenses of $9.9 million, corporate SG&A expenses of $3.0 million, restructuring expenses of $0.3 million, interest expense of $2.0 million and other expense and foreign currency transaction expense of $0.1 million and income tax benefit of $0.4 million.

For the year ended December 31, 2007, net income from continuing operations was $2.1 million, which consists of revenue of $106.9 million, cost of sales of $87.0 million, research and development costs of $0.8 million, SG&A costs excluding corporate expenses of $9.0 million, corporate SG&A expenses of $3.8 million, net interest expense of $3.4 million, and other expense and foreign currency transactions expense of $0.6 million and income taxes of $0.2 million.

Net revenue and gross profit For the year ended December 31, 2008, net revenue and gross profit were $106.3 million and $17.5 million, respectively. Gross profit as a percent of sales was 16.4% for the year ended December 31, 2008. For the year ended December 31, 2007 net revenue and gross profit were $106.9 million and $19.9 million, respectively. Gross profit as a percent of revenues was 18.6% for the year ended December 31, 2007.

Net revenues decreased $0.6 million to $106.3 million for the year ended December 31, 2008 from $106.9 million for the comparable year period in 2007. Revenue for 2008 was increased by approximately $6.2 million by having a full year of Noble product line revenues in 2008 and having three months of Crane and Schaeff revenues. Noble product line revenues increased approximately $2.5 million while Crane and Schaeff contributed an additional $3.7 million. Revenues would have decreased approximately $6.8 million without the additional revenues generated by the Noble product line, Crane and Schaeff. The decrease is the result of a decrease in sales of forklifts and specialized carriers, which was partially offset by $1.7 million increase in crane sales. The increase in crane sales is attributed to an increase in chassis sales. 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 the Manitex subsidiary supply the chassis. The majority of the decrease in forklift/specialized carrier sales is due to decrease in the sales of military forklifts. A decrease in the sale of commercial rough terrain forklifts, the result of the slowing North American economy, and a decrease in special carriers also contributed to the sales decline. The decrease in military forklifts sales is attributed to the timing of governmental orders.

Gross profit as a percent of net revenues decreased to 16.4% for the year ended December 31, 2008 from 18.6% for the comparable 2007 period, an erosion of 2.2%. The decrease in margin percent is due to a decrease in the gross margin percent for crane products which was offset by a modest increase in the gross margin for forklifts and specialized carriers. The decrease in crane product margins was caused by a significant increase in the cost of raw materials and components. Although we experienced material price increases over the first half of the year, these were not nearly of the magnitude that we experienced starting late in the second quarter and into the third quarter. Through the second quarter of 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

Table of Contents

production efficiencies. It became clear during the third quarter of 2008 that these rapidly accelerating material price increases were going to continue and would adversely impact the Company s margins. In June, 2008, 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 did not occur until late 2008 or early 2009t. To further offset the effect of price increases, the Company instituted a 4 to 5% surcharge on cranes shipped in the later part of the fourth quarter 2008.

The forklift/specialized carrier product line margin as percentage of net revenue increased modestly. Although the cost of materials for forklifts specialized carriers also increased, the effect was more than offset by a restructuring initiative that occurred early in the third quarter of 2008, the elimination of start-up of inefficiencies for the Noble product line and the weakening of the Canadian dollar, which positively impacted margins on US dollar sales.

Restructuring expenses During the third quarter of 2008, the Company began to restructure the manufacturing processes at its Manitex Liftking facility with the objective of improving production efficiencies and lowering our costs. The Company began to experience the benefits of the staffing reductions in the fourth quarter of 2008. An evaluation of the current staffing was completed and as a result, the workforce was reduced by 26 employees to align the size of our workforce to our production requirements. In connection 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.

Beginning in September of 2008, the United States and world financial markets came under unprecedented stress. The immediate impact was a dramatic decrease in liquidity and credit availability throughout the world. An incredibly rapid and significant deterioration in economic conditions, especially in the United States and Europe followed. These events had an immediate significant adverse impact on the Company, including a very dramatic curtailment of new orders, request to delay deliveries and, in some cases to cancel existing orders.

In response to the impact of economic conditions and longer sales cycles, it was determined that swift management action was necessary to ensure that operating activity was balanced with current demand levels. Since the end of the third quarter 2008, we have implemented across the board cost reduction activities that we estimate will yield approximately $5 million in annual expense reductions. The specific actions taken to achieve these cost reductions comprise headcount reductions of salaried and hourly employees, virtual elimination of overtime, suspension of additional hires and merit increases, reduction in executive and salaried pay, bonus and benefits and the introduction of shortened workweeks. These actions, although difficult, are required to enable the Company to adjust to current conditions and position it to respond quickly when the market recovers. Certain of the aforementioned actions were implemented before December 31, 2008. Significant additional steps were implemented shortly after year end. Restructuring expense (severance payments) related to actions taken before year end was approximately $0.1 million.

Selling, general and administrative expense Selling, general and administrative expense for the year ended December 31, 2008 was $12.9 million compared to $12.8 million for the comparable period in 2007. Selling, general and administrative expense for the year ended December 31, 2008 is comprised of corporate expense of $3.0 million and $9.9 million related to operating companies. Selling, general and administrative expenses for the year ended December 31, 2007 were comprised of corporate expense of $3.8 million and $9.0 million related to operating companies.

Selling, general and administrative, excluding corporate expenses, increased $0.9 million to $9.9 million (including $0.6 million for Crane and Schaeff) for the year ended December 31, 2008 from $9.0 million for the comparable year period in 2007. Without the additional costs from the Crane and Schaeff acquisition, selling, general & administrative expenses would have increased $0.3 million. The increase is principally due to an increase in selling expenses for our Manitex subsidiary and an increase in management resources for our Manitex Liftking subsidiary. The increase in selling expense at our Manitex subsidiary is related to costs of approximately

$0.3 million 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. The increase in Manitex Liftking management is principally related to hiring additional management personnel. Modest offsetting variances in a number of other lines resulted in a small net decrease in expense.

Corporate expenses decreased $0.8 million to $3.0 million for the year ended December 31, 2008 from $3.8 million for the comparable period in 2007. The decrease is principally attributed to a decrease in management bonuses, consulting expenses and legal fees. Legal expenses were higher in 2007 in part 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 requirements.

Operating income Operating income from continuing operations of $3.4 million for the year ended December 31, 2008 was equivalent to 3.2% of net revenues compared to an operating income of $6.4 million for the year ended December 31, 2007 or 5.9% of net revenues. The decrease in operating income as percentage of net revenues is primarily due to a decrease of 2.2% in the gross margin percentage. Additionally, restructuring expense of $0.3 million and an increase in selling, general and administrative expenses of $0.2 million accounts for approximately 0.3% and 0.1% of the decrease in operating income as a percentage of net revenues.

Interest expense Interest expense was $2.0 million and $3.4 million for the years ended December 31, 2008 and 2007, respectively. The decrease in interest is due to a decrease in average outstanding debt for 2008 versus average outstanding debt for 2007 and lower interest rates. Although total debt at December 31, 2008 of $28.1 million is higher than the outstanding debt at December 31, 2007 of $25.0 million, the average for 2008 is lower than the average for 2007. The $3.1 million increase in total debt from 2007 to 2008 is entirely attributed to debt related to the Crane and Schaeff acquisition that occurred on October 6, 2008. Additionally, 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 7.25% at December 31, 2007 to 3.25% at December 31, 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. Historically the USD / CDN$ exchange rate has not seen such volatility in a short time period and the Company had not taken any action to mitigate its foreign exchange exposures. As a result of its investigation, 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. 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 year ended December 31, 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 year ended December 31, 2007 was $0.8 million. The exchange losses were principally incurred before the Company entered into the forward currency exchange contracts in early September 2007. 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 US to Canadian dollar exchange rate changed from .8674 to 1.0037. The Company had an acquisition note payable for $2.6 million to the former

Table of Contents

owner of Liftking Industries, which is denominated in Canadian dollars. Through September 30, 2007 the Company recorded a foreign exchange loss of $0.4 million related to this note. Additionally, Manitex Liftking, the Company s Canadian subsidiary, had significant sales which were denominated in US dollars and which on settlement generated or will generate a transaction loss of $0.5 million through September 30, 2007. A gain of $0.2 million on the forward exchange currency contracts held at September 30, 2007 by the Company offsets the aforementioned transaction losses.

Income tax (benefit) The income tax benefit for 2008 was $0.4 million. The income tax expense for 2007 was $0.2 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 for the year ended December 31, 2008 was $1.8 million. This compares with a net income from continuing operations for the year ended December 31, 2007 of $2.1 million.

Discontinued operations

For the year ended December 31, 2008, discontinued operations reported net income of $0.2 million as compared to a loss of $1.1 million for 2007. For 2008, discontinued operations had income 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. In 2007, the net loss from discontinued operations of $1.1 million was comprised of costs of sales of $1.6 million, operating expenses of $1.0 million offset by revenue of $1.5 million.

During 2007, the Company established reserves of $0.1 million to cover employee termination costs and $0.2 million related to contracts terminations. 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. Additionally, the Company reduced its reserve to cover employee terminations by $0.05 million. The net effect was loss on the sale or closure of discontinued operations for the year ended December 31, 2007 of $0.05 million.

In 2008, the Company reversed the $0.2 million reserve for termination of contracts, as it was determined that it was not needed.

SEGMENT INFORMATION

Lifting Equipment Segment

	2009 (1)	2008 (1)	2007 (1)
Net revenues	$ 52,392	$ 103,343	$ 106,946
Operating income	5,420	6,382	10,109
Operating margin	10.3%	6.2%	9.5%

(1) Financial results for acquisitions are included from the date of acquisition: July 31, 2007 for the Noble product line , October 6, 2008 for the assets of Schaeff Lift Truck