UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended October 31, 2011
Commission File No. 001-33866

TITAN MACHINERY INC.

(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	**No. 45-0357838** (IRS Employer Identification No.)

644 East Beaton Drive
West Fargo, ND 58078-2648
(Address of Principal Executive Offices)

Registrant's telephone number **(701) 356-0130**

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

Indicate by check mark whether the registrant 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 (§232.405 of this chapter) 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 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 ☐ (Do not check if smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The number of shares outstanding of the registrant's common stock as of November 30, 2011 was: Common Stock, $0.00001 par value, 20,785,215 shares.

TITAN MACHINERY INC.
QUARTERLY REPORT ON FORM 10-Q

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PART I. — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TITAN MACHINERY INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	October 31, 2011 (Unaudited)	January 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 97,890	$ 76,112
Receivables, net	52,952	44,945
Inventories	738,345	429,844
Prepaid expenses and other current assets	2,176	1,003
Deferred income taxes	2,880	3,247
Total current assets	894,243	555,151
INTANGIBLES AND OTHER ASSETS		
Noncurrent parts inventories	3,136	2,405
Goodwill	23,164	18,391
Intangible assets, net of accumulated amortization	9,758	4,734
Other	2,787	2,793
	38,845	28,323
PROPERTY AND EQUIPMENT, net of accumulated depreciation	118,329	65,372
	$ 1,051,417	$ 648,846
LIABILITIES AND STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES		
Accounts payable	$ 39,091	$ 15,957
Floorplan notes payable	576,763	320,801
Current maturities of long-term debt and short-term advances	1,925	4,207
Customer deposits	19,237	28,180
Accrued expenses	22,387	16,816
Income taxes payable	1,471	2,093
Total current liabilities	660,874	388,054
LONG-TERM LIABILITIES		
Long-term debt, less current maturities	59,544	33,409
Deferred income taxes	10,249	9,012
Other long-term liabilities	3,419	3,814
	73,212	46,235
STOCKHOLDERS' EQUITY		
Common stock, par value $.00001 per share, authorized - 25,000 shares; issued and outstanding - 20,756 at October 31, 2011 and 17,917 at January 31, 2011	—	—
Additional paid-in-capital	216,881	140,466
Retained earnings	100,450	74,091
	317,331	214,557
	$ 1,051,417	$ 648,846

See Notes to Consolidated Financial Statements

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TITAN MACHINERY INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2011	2010	2011	2010
REVENUE				
Equipment	$ 312,304	$ 241,096	$ 786,816	$ 544,587
Parts	64,468	42,028	155,670	111,038
Service	29,843	20,832	76,202	54,885
Rental and other	16,345	7,351	33,286	15,920
TOTAL REVENUE	422,960	311,307	1,051,974	726,430
COST OF REVENUE				
Equipment	283,690	221,163	711,421	496,306
Parts	44,389	29,296	108,535	78,666
Service	10,304	7,435	27,175	20,376
Rental and other	10,580	5,435	22,192	12,613
TOTAL COST OF REVENUE	348,963	263,329	869,323	607,961
GROSS PROFIT	73,997	47,978	182,651	118,469
OPERATING EXPENSES	50,060	32,849	133,556	91,857
INCOME FROM OPERATIONS	23,937	15,129	49,095	26,612
OTHER INCOME (EXPENSE)				
Interest and other income	307	207	859	414
Floorplan interest expense	(2,625)	(2,138)	(5,121)	(5,850)
Interest expense other	(283)	(394)	(899)	(1,129)
INCOME BEFORE INCOME TAXES	21,336	12,804	43,934	20,047
PROVISION FOR INCOME TAXES	(8,536)	(5,098)	(17,575)	(8,068)
NET INCOME	$ 12,800	$ 7,706	$ 26,359	$ 11,979
EARNINGS PER SHARE - NOTE 1				
EARNINGS PER SHARE - BASIC	$ 0.62	$ 0.44	$ 1.35	$ 0.68
EARNINGS PER SHARE - DILUTED	$ 0.61	$ 0.42	$ 1.31	$ 0.66

WEIGHTED AVERAGE SHARES - BASIC	20,572	17,661	19,538	17,638
WEIGHTED AVERAGE SHARES - DILUTED	21,073	18,161	20,081	18,100

See Notes to Consolidated Financial Statements

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TITAN MACHINERY INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total
	Shares Outstanding	Amount			
BALANCE, JANUARY 31, 2011	17,917	$ —	$ 140,466	$ 74,091	$ 214,557
Common stock issued in follow-on offering	2,760	—	74,898	—	74,898
Common stock issued on grant of restricted stock and exercise of stock options and warrants and tax benefits of equity awards	79	—	530	—	530
Stock-based compensation expense	—	—	987	—	987
Net income	—	—	—	26,359	26,359
BALANCE, OCTOBER 31, 2011	20,756	$ —	$ 216,881	$ 100,450	$ 317,331

See Notes to Consolidated Financial Statements

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TITAN MACHINERY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Nine Months Ended October 31,	
	2011	2010
OPERATING ACTIVITIES		
Net income	$ 26,359	$ 11,979
Adjustments to reconcile net income to net cash used for operating activities		
Depreciation and amortization	10,172	6,443
Deferred income taxes	184	(19)
Stock-based compensation expense	987	860
Other	249	(199)
Changes in assets and liabilities, net of purchase of equipment dealerships assets and assumption of liabilities		
Receivables, prepaid expenses and other assets	(4,117)	(12,580)
Inventories	(232,519)	(57,119)
Floorplan notes payable	8,217	2,893
Accounts payable, customer deposits, accrued expenses and other long-term liabilities	14,638	1,724
Income taxes	(1,012)	4,707
NET CASH USED FOR OPERATING ACTIVITIES	(176,842)	(41,311)
INVESTING ACTIVITIES		
Property and equipment purchases	(11,702)	(11,210)
Net proceeds from sale of equipment	3,244	719
Purchase of equipment dealerships, net of cash purchased	(38,607)	(2,423)
Other, net	(99)	(293)
NET CASH USED FOR INVESTING ACTIVITIES	(47,164)	(13,207)
FINANCING ACTIVITIES		
Proceeds from follow-on offering of common stock, net of underwriting discount of $4,166 and other direct costs of $286	74,898	—
Net change in non-manufacturer floorplan notes payable	162,698	45,179
Short-term advances related to customer contracts in transit, net	(388)	(104)
Proceeds from long-term debt borrowings	20,000	6,441
Principal payments on long-term debt	(11,751)	(7,318)

Debt issuance costs	(203)	—
Other	530	137
NET CASH PROVIDED BY FINANCING ACTIVITIES	245,784	44,335
NET CHANGE IN CASH AND CASH EQUIVALENTS	21,778	(10,183)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	76,112	76,185
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 97,890	$ 66,002

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) Page — 2
(in thousands)

	Nine Months Ended October 31,	
	2011	2010
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period		
Income taxes, net of refunds	$ 18,191	$ 3,388
Interest	$ 5,390	$ 6,965
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and equipment financed with long-term debt	$ 8,720	$ 2,504
Net transfer of equipment to fixed assets from inventories	$ 35,721	$ 2,357
Net transfer of financing to long-term debt from floorplan notes payable	$ 1,696	$ 1,625

See Notes to Consolidated Financial Statements

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TITAN MACHINERY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim reporting. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America ("GAAP") for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The quarterly operating results for Titan Machinery Inc. (the "Company") are subject to fluctuation due to varying weather patterns, which may impact the timing and amount of equipment purchases, rentals, and after-sales parts and service purchases by the Company's Agriculture and Construction customers. Therefore, operating results for the nine-month period ended October 31, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ending January 31, 2012. The information contained in the balance sheet as of January 31, 2011 was derived from the audited financial statements for the Company for the year then ended. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Form 10-K for the fiscal year ended January 31, 2011 as filed with the SEC.

Nature of Business

Titan Machinery Inc. is engaged in the retail sale, service and rental of agricultural and construction equipment through stores in North Dakota, South Dakota, Minnesota, Iowa, Nebraska, Montana, Wyoming and Wisconsin.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Transportation Solutions, LLC. All significant accounts, transactions and profits between the consolidated companies have been eliminated in consolidation.

Fair Value of Financial Instruments

The carrying amount of cash, receivables, payables, short-term debt and other current liabilities approximates fair value because of the short maturity and/or frequent repricing of those instruments. Based upon current borrowing rates with similar maturities, the carrying value of the long-term debt approximates the fair value as of October 31, 2011 and January 31, 2011.

Exit and Disposal Costs

The Company accounts for exit or disposal activities, including store closures, in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 420, *Exit or Disposal Cost Obligations*. Such costs mainly include lease termination costs and employee termination costs. The Company records a liability for the net present value of any remaining lease obligations, net of estimated sublease income, at the date it ceases using the property. Any subsequent adjustments to that liability as a result of lease termination or changes in estimates of sublease income are recorded in the period incurred. The Company records a liability for employee termination costs at the date the termination benefits were first communicated to the employees.

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Upon acquiring ABC Rental & Equipment Sales in the first quarter of fiscal 2012, the Company combined its existing location in Belgrade, Montana into its newly-acquired store in nearby Bozeman, Montana. This was completed in July 2011, with all of the Belgrade operations and employees moving to the Bozeman store location. Thus, the Belgrade store was closed as of July 31, 2011. The exit costs relate to lease termination. Estimated lease termination costs totaling $0.4 million for the Belgrade store and adjustments for a previously closed store are included in operating expenses on the consolidated statements of operations for the nine months ended October 31, 2011.

A reconciliation of the beginning and ending liability balance follows:

		(in thousands)
Balance at January 31, 2011	$	207
Exit costs incurred and charged to expense		386
Exit costs paid		(105)
Balance at October 31, 2011	$	488

Recent Accounting Guidance

In May 2011, the FASB amended authoritative guidance on fair value measurements, codified in ASC 820, *Fair Value Measurements and Disclosures*. The amended guidance results in common fair value measurements and disclosure requirements for financial statements reported under GAAP or International Financial Reporting Standards. These amendments clarify the FASB's intent about the application of existing fair value measurement requirements and change particular principles or requirements for measuring fair value and disclosing information about fair value measurements. The guidance is effective for interim and annual periods beginning after December 15, 2011, and is applied prospectively. The Company is in the process of determining the impact that this guidance will have on the Company's consolidated financial statements.

In June 2011, the FASB amended authoritative guidance on the presentation of comprehensive income, codified in ASC 220, *Comprehensive Income*. The amended guidance requires the presentation of total comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance is applied retrospectively and is effective for interim and annual periods beginning after December 15, 2011, with early adoption permitted. The Company is in the process of determining the impact that this guidance will have on the Company's consolidated financial statements.

In September 2011, the FASB amended authoritative guidance on goodwill impairment testing, codified in ASC 350, *Intangibles - Goodwill and Other*. The amended guidance provides an entity the option to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If an entity determines that the fair value of the reporting unit is more likely than not greater than the carrying amount, then the entity is not required to perform a quantitative assessment. However, if an entity concludes that the fair value of a reporting unit is more likely than not less than its carrying amount, it is required to perform the two-step impairment test. The guidance is effective for the interim and annual periods beginning after December 15, 2011, with early adoption permitted. The Company is in the process of determining the impact that this guidance will have on the Company's consolidated financial statements.

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Earnings Per Share

The following table sets forth the denominator for the computation of basic and diluted earnings per share:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2011	2010	2011	2010

	(in thousands)		(in thousands)	
Basic weighted-average shares outstanding	20,572	17,661	19,538	17,638
Plus: Incremental shares from assumed conversions				
Restricted Stock	183	197	178	184
Warrants	29	53	30	57
Stock Options	289	250	335	221
Diluted weighted-average shares outstanding	21,073	18,161	20,081	18,100

There were 72,000 and 10,000 stock options outstanding that were excluded from the computation of diluted earnings per share for the three and nine months ended October 31, 2011, respectively, and 134,000 and 139,000 stock options outstanding that were excluded from the computation of diluted earnings per share for the three and nine months ended October 31, 2010, respectively, because they were anti-dilutive.

NOTE 2 - INVENTORIES

	October 31, 2011	January 31, 2011
	(in thousands)	
New equipment	$ 499,916	$ 209,871
Used equipment	159,288	162,254
Parts and attachments	70,756	52,694
Work in process	8,385	5,025
	$ 738,345	$ 429,844

In addition to the above amounts, the Company has estimated that a portion of its parts inventory will not be sold in the next year. Accordingly, these balances have been classified as noncurrent assets.

NOTE 3 - LINES OF CREDIT / FLOORPLAN NOTES PAYABLE

Operating Line of Credit

As of October 31, 2011, the Company had a $75.0 million working capital line of credit under a Senior Secured Credit Facility (the “Credit Agreement”) with a group of banks led by Wells Fargo Bank, National Association. The Company had $50.8 million and $26.4 million outstanding on its operating line of credit as of October 31, 2011 and January 31, 2011, respectively. Amounts outstanding are recorded as long-term debt, within long-term liabilities on the consolidated balance sheets, as the Company does not have the intention or obligation to repay amounts borrowed within one year.

Floorplan Lines of Credit

As of October 31, 2011, the Company had discretionary floorplan lines of credit for equipment purchases totaling approximately $650.0 million with various lending institutions, including $200.0 million under the aforementioned Credit Agreement, a $350.0 million Wholesale Floorplan Credit Facility with CNH Capital America LLC (“CNH Capital”) and a $100.0 million Wholesale Financing Plan with Rental Agreement with Agricredit Acceptance LLC. Floorplan notes payable relating to these credit facilities totaled approximately $537.6 million of the total floorplan notes payable balance of $576.8 million outstanding as of October 31, 2011 and $300.6 million of the total floorplan notes payable balance of

$320.8 million outstanding as of January 31, 2011. As of October 31, 2011, the Company had approximately $106.3 million in available borrowings remaining under these lines of credit. These floorplan notes carried various interest rates primarily ranging from 2.24% to 7.25% as of October 31, 2011, subject to interest-free periods offered by CNH Capital. As of October 31, 2011, the Company was in compliance with all floorplan financial covenants.

NOTE 4 - BUSINESS COMBINATIONS

The Company continued to implement its strategy of consolidating dealerships in desired market areas. Below is a summary of the acquisitions completed for the nine months ended October 31, 2011. In certain of the business combination transactions the Company recognized goodwill and separately identifiable intangible assets. Factors contributing to the recognition of goodwill and intangible assets include an evaluation of future and historical financial performance, proximity to other existing and future planned Company locations, customer relationships and distribution territory. Pro forma results are not presented as the acquisitions are not considered material, individually or in aggregate, to the Company. The results of operations have been included in the Company’s consolidated statements of operations since the date of each respective business combination.

On February 28, 2011, the Company acquired certain assets of Tri-State Implement, Inc. The acquisition consisted of one agricultural equipment store located in Sioux Falls, South Dakota which is contiguous to the Company’s existing construction equipment location in Sioux Falls. The acquisition-date fair value of the total consideration transferred for the store was $1.0 million.

On March 31, 2011, the Company acquired 100% of the outstanding stock of Schoffman’s Inc., which included the real estate of this entity, and subsequently merged the acquired entity into the Company. The acquisition consisted of one agricultural equipment store in Redwood Falls, Minnesota which is contiguous to the Company’s existing location in Marshall, Minnesota. The acquisition-date fair value of the total consideration transferred for the store was $5.8 million.

On April 1, 2011, the Company acquired certain assets of ABC Rental & Equipment Sales. The acquisition consisted of four construction equipment rental stores located in Williston, North Dakota, and Bozeman, Missoula, and Big Sky, Montana. This acquisition expands the Company’s opportunity to capitalize on increased rental activity of the surrounding oil, coal and natural gas exploration and extraction areas in North Dakota and Montana. The acquisition-date fair value of the total consideration transferred for the stores was $5.4 million.

On May 13, 2011, the Company acquired certain assets of Carlson Tractor & Equipment, Inc. The acquisition consisted of two construction equipment stores in Rogers and Rosemount, Minnesota and expands the Company's construction presence in Minnesota. The acquisition-date fair value of the total consideration transferred for the stores was $2.9 million.

On May 31, 2011, the Company acquired certain assets of St. Joseph Equipment Inc. The acquisition consisted of four construction equipment stores in Shakopee, Hermantown and Elk River, Minnesota, and La Crosse, Wisconsin. The acquisition establishes the Company's first construction equipment store in Wisconsin and allows the Company to have the exclusive Case Construction contract for the entire state of Minnesota and 11 counties in western Wisconsin. The acquisition-date fair value of the total consideration transferred for the stores was $17.0 million.

On September 2, 2011, the Company acquired certain assets of Virgl Implement Inc. The acquisition consisted of one agricultural equipment store in Wahoo, Nebraska. The acquisition expands the Company's agriculture presence in Nebraska. The acquisition-date fair value of the total consideration transferred for the store was approximately $5.7 million.

On September 2, 2011, the Company acquired certain assets of Victors Inc. The acquisition consisted of one agricultural equipment store in Fremont, Nebraska. The acquisition expands the Company's agriculture presence in Nebraska. The acquisition-date fair value of the total consideration transferred for the store was approximately $7.5 million.

During the nine months ended October 31, 2011, adjustments were recorded for additional consideration of $1.9 million earned and paid under agreements disclosed in the Company's Form 10-K for the fiscal year ended January 31, 2010 as filed with the SEC. This additional consideration resulted in a net increase in goodwill for the Agriculture segment of $1.9 million.

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The allocations of the purchase prices in the above business combinations are presented in the following table.

		October 31, 2011 (in thousands)
Cash	$	98
Receivables		4,435
Inventories		39,898
Prepaid expenses		688
Deferred income taxes		13
Property and equipment		9,735
Intangible assets		5,400
Goodwill		4,773
	$	65,040
Accounts payable	$	224
Floorplan notes payable		14,207
Customer deposits		1,048
Accrued expenses		37
Income taxes payable		390
Long-term debt		442
Deferred income taxes		1,433
	$	17,781
Cash consideration		38,705
Non-cash consideration: liabilities incurred		8,554
Total consideration	$	47,259
Goodwill related to the Agriculture operating segment	$	3,883
Goodwill related to the Construction operating segment	$	890
Goodwill expected to be deductible for tax purposes	$	3,482

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NOTE 5 - SEGMENT INFORMATION AND OPERATING RESULTS

Revenue, income before income taxes and total assets at the segment level are reported before eliminations. The Company retains various unallocated income/(expense) items and assets at the general corporate level, which the Company refers to as "Shared Resources" in the table below. Shared Resources assets primarily consist of cash and property and equipment. Intersegment revenue is immaterial.

Certain financial information for each of the Company's business segments is set forth below.

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2011	2010	2011	2010
	(in thousands)		(in thousands)	
Revenue				
Agriculture	$ 361,601	$ 282,365	$ 914,932	$ 645,269
Construction	77,435	39,827	181,395	108,140
Segment revenue	439,036	322,192	1,096,327	753,409
Eliminations	(16,076)	(10,885)	(44,353)	(26,979)
Total	$ 422,960	$ 311,307	$ 1,051,974	$ 726,430
Income (Loss) Before Income Taxes				
Agriculture	$ 20,068	$ 14,420	$ 43,964	$ 25,458
Construction	3,254	(169)	4,482	(2,936)
Segment income (loss) before income taxes	23,322	14,251	48,446	22,522
Shared Resources	(1,772)	(1,343)	(3,786)	(1,977)
Eliminations	(214)	(104)	(726)	(498)
Total	$ 21,336	$ 12,804	$ 43,934	$ 20,047

	October 31, 2011	January 31, 2011
	(in thousands)	
Total Assets		
Agriculture	$ 730,680	$ 514,049
Construction	198,680	98,535
Segment assets	929,360	612,584
Shared Resources (1)	123,861	37,340
Eliminations	(1,804)	(1,078)
Total	$ 1,051,417	$ 648,846

(1) The balance as of October 31, 2011 includes the cash proceeds from the Company's follow-on offering completed in May 2011.

NOTE 6 - SUBSEQUENT EVENTS

On November 1, 2011, the Company acquired certain assets of Van Der Werff Implement, Inc., an agriculture equipment store located in Platte, South Dakota. The store is contiguous to the Company's existing locations in Sioux Falls, Huron, Miller, Highmore and Pierre, South Dakota. Due to the recent nature of this acquisition, the initial business combination accounting will be performed in the three months ending January 31, 2012. The acquisition-date fair value of the total consideration transferred for the store was approximately $3.9 million.

On December 1, 2011, the Company acquired certain assets of Jewell Implement Company, Inc., an agriculture equipment store located in Jewell, Iowa. The store is contiguous to the Company's existing location in Iowa Falls, Iowa. Due to the recent nature of this acquisition, the initial business combination accounting will be performed in the three months ending January 31, 2012. The acquisition-date fair value of the total consideration transferred for the store was approximately $1.3 million.

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On November 11, 2011, the Company entered into a definitive agreement to acquire the business of AgroExpert, S.R.L., which consists of two agriculture equipment dealerships, located in Bucharest and Timisoara, Romania. The entity's existing management will retain a minority interest in the entity. The acquisition establishes the Company's first international operations and is expected to close on or around December 31, 2011.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our interim unaudited consolidated financial statements and related notes included in Item 1 of Part 1 of this Quarterly Report, and the audited consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended January 31, 2011.

Critical Accounting Policies

There have been no material changes in our Critical Accounting Policies, as disclosed in our Annual Report on Form 10-K for the year ended January 31, 2011.

Overview

We own and operate a network of full service agricultural and construction equipment stores in the United States. Based upon information provided to us by CNH Global N.V. or its U.S. subsidiary CNH America LLC, collectively referred to in this Quarterly Report as CNH, we are the world's largest retail dealer of Case IH Agriculture equipment and a major retail dealer of New Holland Agriculture, Case Construction and New Holland Construction equipment in the U.S. We have two primary business segments, Agriculture and Construction, within each of which we sell and rent new and used equipment, sell parts, and service the equipment in the areas surrounding our stores.

Our net income was $12.8 million, or $0.61 per diluted share, for the three months ended October 31, 2011, compared to $7.7 million, or $0.42 per diluted share, for the three months ended October 31, 2010. Significant factors impacting the quarterly comparisons were:

- Increase in revenue due to acquisitions and same-store sales growth in both our Agriculture and Construction segments primarily resulting from the continuation of a strong agriculture equipment market, improved construction equipment market in the region in which we do business, and growth in the rental business in our Construction segment, reflecting our initiative to expand this growth platform;

- Increase in gross profit primarily due to increased revenue and improvement in gross profit margin on equipment and rental and other; and

- Operating expenses as a percentage of total revenue increased to 11.8% for the three months ended October 31, 2011, compared to 10.5% for the three months ended October 31, 2010, primarily reflecting higher operating expenses related to our Construction segment, which includes additional expenses associated with growing the rental business, and an increase in the Company's compensation expenses such as sales commissions.

Results of Operations

Comparative financial data for each of our four sources of revenue are expressed below. The results for these periods include the operating results of the acquisitions made during these periods. The period-to-period comparisons included below are not necessarily indicative of future results. Segment information is provided later in this discussion and analysis of our results of operations.

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Percent Change	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	Percent Change
	(dollars in thousands)			(dollars in thousands)		
Equipment						
Revenue	$ 312,304	$ 241,096	29.5%	$ 786,816	$ 544,587	44.5%
Cost of revenue	283,690	221,163	28.3%	711,421	496,306	43.3%
Gross profit	$ 28,614	$ 19,933	43.6%	$ 75,395	$ 48,281	56.2%
Gross profit margin	9.2%	8.3%	0.9%	9.6%	8.9%	0.7%
Parts						
Revenue	$ 64,468	$ 42,028	53.4%	$ 155,670	$ 111,038	40.2%
Cost of revenue	44,389	29,296	51.5%	108,535	78,666	38.0%
Gross profit	$ 20,079	$ 12,732	57.7%	$ 47,135	$ 32,372	45.6%
Gross profit margin	31.1%	30.3%	0.8%	30.3%	29.2%	1.1%
Service						
Revenue	$ 29,843	$ 20,832	43.3%	$ 76,202	$ 54,885	38.8%
Cost of revenue	10,304	7,435	38.6%	27,175	20,376	33.4%
Gross profit	$ 19,539	$ 13,397	45.8%	$ 49,027	$ 34,509	42.1%
Gross profit margin	65.5%	64.3%	1.2%	64.3%	62.9%	1.4%
Rental and other						
Revenue	$ 16,345	$ 7,351	122.4%	$ 33,286	$ 15,920	109.1%
Cost of revenue	10,580	5,435	94.7%	22,192	12,613	75.9%
Gross profit	$ 5,765	$ 1,916	200.9%	$ 11,094	$ 3,307	235.5%
Gross profit margin	35.3%	26.1%	9.2%	33.3%	20.8%	12.5%

The following table sets forth our statements of operations data expressed as a percentage of total revenue for the periods indicated:

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010
Revenue				
Equipment	73.8%	77.4%	74.8%	75.0%
Parts	15.2%	13.5%	14.8%	15.3%
Service	7.1%	6.7%	7.2%	7.5%
Rental and other	3.9%	2.4%	3.2%	2.2%

Total revenue	100.0%	100.0%	100.0%	100.0%
Total cost of revenue	82.5%	84.6%	82.6%	83.7%
Gross profit	17.5%	15.4%	17.4%	16.3%
Operating expenses	11.8%	10.5%	12.7%	12.6%
Income from operations	5.7%	4.9%	4.7%	3.7%
Other income (expense)	(0.7)%	(0.8)%	(0.5)%	(0.9)%
Income before income taxes	5.0%	4.1%	4.2%	2.8%
Provision for income taxes	(2.0)%	(1.6)%	(1.7)%	(1.2)%
Net income	3.0%	2.5%	2.5%	1.6%

Three Months Ended October 31, 2011 Compared to Three Months Ended October 31, 2010

Consolidated Results

Revenue

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Increase	Percent Change
	(dollars in thousands)			
Equipment	$ 312,304	$ 241,096	$ 71,208	29.5%
Parts	64,468	42,028	22,440	53.4%
Service	29,843	20,832	9,011	43.3%
Rental and other	16,345	7,351	8,994	122.4%
Total Revenue	$ 422,960	$ 311,307	$ 111,653	35.9%

The increase in revenue for the three months ended October 31, 2011, as compared to the same period last year, was due to acquisitions contributing $71.8 million and same-store sales growth contributing $39.9 million to current period revenue. This revenue growth was in both our Agriculture and Construction segments and resulted from the continuation of a strong agriculture equipment market, an improved construction equipment market in the region in which we do business, and growth in the rental business in our Construction segment. This growth in the rental business reflects our initiative to expand this growth platform through strategic acquisitions, including the purchase of ABC Rental & Equipment Sales in the first quarter of fiscal 2012, new store openings, and an increase in the size of our designated rental fleet.

Cost of Revenue

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Increase	Percent Change
	(dollars in thousands)			
Equipment	$ 283,690	$ 221,163	$ 62,527	28.3%
Parts	44,389	29,296	15,093	51.5%
Service	10,304	7,435	2,869	38.6%
Rental and other	10,580	5,435	5,145	94.7%
Total Cost of Revenue	$ 348,963	$ 263,329	$ 85,634	32.5%

The increase in cost of revenue for the three months ended October 31, 2011, as compared to the same period last year, was primarily due to increased revenue. Acquisitions contributed $57.4 million of the increase in total cost of revenue, while same-store sales growth contributed $28.2 million of the increase. As a percentage of revenue, cost of revenue was 82.5% compared to 84.6% for the third quarter of fiscal 2011.

Gross Profit

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Increase/ (Decrease)	Percent Change
	(dollars in thousands)			
Gross Profit				
Equipment	$ 28,614	$ 19,933	$ 8,681	43.6%
Parts	20,079	12,732	7,347	57.7%
Service	19,539	13,397	6,142	45.8%
Rental and other	5,765	1,916	3,849	200.9%
Total Gross Profit	$ 73,997	$ 47,978	$ 26,019	54.2%

Gross Profit Margin				
Equipment	9.2%	8.3%	0.9%	10.8%
Parts	31.1%	30.3%	0.8%	2.6%
Service	65.5%	64.3%	1.2%	1.9%
Rental and other	35.3%	26.1%	9.2%	35.2%
Total Gross Profit Margin	17.5%	15.4%	2.1%	13.6%
Gross Profit Mix				
Equipment	38.7%	41.5%	(2.8)%	(6.7)%
Parts	27.1%	26.5%	0.6%	2.3%
Service	26.4%	28.0%	(1.6)%	(5.7)%
Rental and other	7.8%	4.0%	3.8%	95.0%
Total Gross Profit Mix	100.0%	100.0%		

The $26.0 million increase in gross profit for the three months ended October 31, 2011, as compared to the same period last year, was primarily due to increased revenue. Acquisitions contributed $14.3 million to the increase in gross profit for the three months ended October 31, 2011, while increases in same-store gross profit contributed the remaining $11.7 million. The increase in gross profit margin from 15.4% for the three months ended October 31, 2010 to 17.5% for the three months ended October 31, 2011 was primarily due to the increase in gross profit margin for equipment and rental and other, and changes in the sales mix. The increase in equipment gross profit margin was primarily reflective of an improved construction equipment market in the region in which we do business. Improvement in the gross profit margin for rental and other is primarily due to increased utilization of our rental fleet. While equipment revenue increased by 29.5% over the comparable period last year, the 53.4% increase in parts revenue, 43.3% increase in service revenue, and 122.4% increase in rental and other revenue caused a change in the sales mix that was more heavily weighted towards these higher-margin revenue sources, contributing to the increase in the overall gross profit margin.

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Operating Expenses

	Three Months Ended October 31, 2011	2010	Increase	Percent Change
	(dollars in thousands)			
Operating expenses	$ 50,060	$ 32,849	$ 17,211	52.4%
Operating expenses as a percentage of revenue	11.8%	10.5%	1.3%	12.4%

The $17.2 million increase in operating expenses for the three months ended October 31, 2011, as compared to the same period last year, was primarily due to the additional costs associated with acquisitions such as compensation, rent and depreciation. As a percentage of total revenue, operating expenses increased to 11.8% for the three months ended October 31, 2011 compared to 10.5% for the three months ended October 31, 2010, reflecting higher operating expenses related to our Construction segment, which includes additional expenses associated with growing the rental business, and an increase in the Company's compensation expenses as a percentage of revenue. The increase in compensation expenses was impacted by sales commissions, which are calculated based on equipment gross profits rather than revenues.

Other Income (Expense)

	Three Months Ended October 31, 2011	2010	Increase/ (Decrease)	Percent Change
	(dollars in thousands)			
Interest and other income	$ 307	$ 207	$ 100	48.3%
Floorplan interest expense	(2,625)	(2,138)	487	22.8%
Interest expense other	(283)	(394)	(111)	(28.2)%

The increase in floorplan interest expense of $0.5 million for the three months ended October 31, 2011, as compared to the same period in the prior year, was primarily due to an increase in new equipment inventories to support forecasted equipment sales, resulting in an increase in the related interest-bearing floorplan notes payable balance. This was partially offset by lower interest rates associated with our Credit Agreement entered into on October 31, 2010.

Provision for Income Taxes

	Three Months Ended October 31, 2011	2010	Increase	Percent Change
	(dollars in thousands)			
Provision for income taxes	$ 8,536	$ 5,098	$ 3,438	67.4%

Our effective tax rate increased slightly from 39.8% for the three months ended October 31, 2010 to 40.0% for the three months ended October 31, 2011.

Segment Results

Certain financial information for our Agriculture and Construction business segments is set forth below. Revenue and income (loss) before income taxes at the segment level are reported before eliminations. "Shared Resources" in the table below refers to the various unallocated income/(expense) items that we have retained at the general corporate level. Intersegment revenue is immaterial.

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Increase/ (Decrease)	Percent Change
	(dollars in thousands)			
Revenue				
Agriculture	$ 361,601	$ 282,365	$ 79,236	28.1%
Construction	77,435	39,827	37,608	94.4%
Segment revenue	439,036	322,192	116,844	36.3%
Eliminations	(16,076)	(10,885)	(5,191)	(47.7)%
Total	$ 422,960	$ 311,307	$ 111,653	35.9%
Income (Loss) Before Income Taxes				
Agriculture	$ 20,068	$ 14,420	$ 5,648	39.2%
Construction	3,254	(169)	3,423	2025.4%
Segment income (loss) before income taxes	23,322	14,251	9,071	63.7%
Shared Resources	(1,772)	(1,343)	(429)	(31.9)%
Eliminations	(214)	(104)	(110)	(105.8)%
Total	$ 21,336	$ 12,804	$ 8,532	66.6%

Agriculture

Agriculture segment revenue for the three months ended October 31, 2011 increased 28.1% compared to the same period last year. The revenue increase was due to acquisitions and an Agriculture same-store sales increase of 9.9% compared to the three months ended October 31, 2010. The same-store sales growth was positively impacted by a strong equipment market primarily caused by increased farm cash receipts for calendar year 2010 and anticipated strong farm cash receipts for calendar year 2011.

Agriculture segment income before income taxes for the three months ended October 31, 2011 increased 39.2% compared to the same period last year, primarily due to higher Agriculture segment revenue.

Construction

Construction segment revenue for the three months ended October 31, 2011 increased 94.4% compared to the same period last year. The revenue increase was due to acquisitions, a Construction same-store sales increase of 34.3% compared to the three months ended October 31, 2010, and growth in the rental business. The same-store sales growth was positively impacted by an improved construction equipment market in the region in which we do business and results from ongoing operational improvements. The growth in the rental business reflects our initiative to expand this growth platform through strategic acquisitions, including the purchase of ABC Rental & Equipment Sales in the first quarter of fiscal 2012, new store openings, and an increase in the size of our designated rental fleet.

The Construction segment earned segment income before income taxes of $3.3 million for the three months ended October 31, 2011, compared to a segment loss before income taxes of $0.2 million in the same period last year. This improvement was primarily caused by increases in Construction segment revenue and equipment gross profit margin, resulting from the aforementioned improvements in market conditions, and an increase in gross profit margin on rental and other, resulting from increased utilization of our rental fleet.

Shared Resources/Eliminations

We incur centralized expenses/income at our general corporate level, which we refer to as "Shared Resources," and then allocate these net expenses to our segments. Since these allocations are set early in the year, unallocated balances may occur.

Eliminations remove any inter-company revenue and income before income taxes residing in our segment results.

Nine Months Ended October 31, 2011 Compared to Nine Months Ended October 31, 2010

Consolidated Results

Revenue

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	Increase	Percent Change
	(dollars in thousands)			
Equipment	$ 786,816	$ 544,587	$ 242,229	44.5%
Parts	155,670	111,038	44,632	40.2%
Service	76,202	54,885	21,317	38.8%

Rental and other	33,286	15,920	17,366	109.1%
Total Revenue	$ 1,051,974	$ 726,430	$ 325,544	44.8%

The increase in revenue for the nine months ended October 31, 2011, as compared to the same period last year, was due to acquisitions contributing $157.3 million and same-store sales growth contributing $168.2 million to current period revenue. This revenue growth was in both our Agriculture and Construction segments and resulted from the continuation of a strong agriculture equipment market, an improved construction equipment market in the region in which we do business, and growth in the rental business in our Construction segment. This growth in the rental business reflects our initiative to expand this growth platform through strategic acquisitions, including the purchase of ABC Rental & Equipment Sales in the first quarter of fiscal 2012, new store openings, and an increase in the size of our designated rental fleet.

Cost of Revenue

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	Increase	Percent Change
	(dollars in thousands)			
Equipment	$ 711,421	$ 496,306	$ 215,115	43.3%
Parts	108,535	78,666	29,869	38.0%
Service	27,175	20,376	6,799	33.4%
Rental and other	22,192	12,613	9,579	75.9%
Total Cost of Revenue	$ 869,323	$ 607,961	$ 261,362	43.0%

The increase in cost of revenue for the nine months ended October 31, 2011, as compared to the same period last year, was primarily due to increased revenue. Acquisitions contributed $125.6 million of the increase in total cost of revenue, while same-store sales growth contributed $135.8 million of the increase. As a percentage of revenue, cost of revenue was 82.6% compared to 83.7% for the same period last year.

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Gross Profit

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	Increase/ (Decrease)	Percent Change
	(dollars in thousands)			
Gross Profit				
Equipment	$ 75,395	$ 48,281	$ 27,114	56.2%
Parts	47,135	32,372	14,763	45.6%
Service	49,027	34,509	14,518	42.1%
Rental and other	11,094	3,307	7,787	235.5%
Total Gross Profit	$ 182,651	$ 118,469	$ 64,182	54.2%
Gross Profit Margin				
Equipment	9.6%	8.9%	0.7%	7.9%
Parts	30.3%	29.2%	1.1%	3.8%
Service	64.3%	62.9%	1.4%	2.2%
Rental and other	33.3%	20.8%	12.5%	60.1%
Total Gross Profit Margin	17.4%	16.3%	1.1%	6.7%
Gross Profit Mix				
Equipment	41.3%	40.8%	0.5%	1.2%
Parts	25.8%	27.3%	(1.5)%	(5.5)%
Service	26.8%	29.1%	(2.3)%	(7.9)%
Rental and other	6.1%	2.8%	3.3%	117.9%
Total Gross Profit Mix	100.0%	100.0%		

The $64.2 million increase in gross profit for the nine months ended October 31, 2011, as compared to the same period last year, was primarily due to increased revenue. Acquisitions contributed $31.7 million to the increase in gross profit for the nine months ended October 31, 2011, while increases in same-store gross profit contributed the remaining $32.5 million. The increase in gross profit margin from 16.3% for the nine months ended October 31, 2010 to 17.4% for the nine months ended October 31, 2011 was primarily due to the increase in gross profit margin for equipment and rental and other. The increase in equipment gross profit margin was primarily reflective of an improved construction equipment market in the region in which we do business. The increase in gross profit margin on rental and other is due to an increase in utilization of our rental fleet.

Operating Expenses

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	Increase	Percent Change
	(dollars in thousands)			
Operating expenses	$ 133,556	$ 91,857	$ 41,699	45.4%

Operating expenses as a percentage of revenue	12.7%	12.6%	0.1%	0.8%

The $41.7 million increase in operating expenses for the nine months ended October 31, 2011, as compared to the same period last year, was primarily due to additional costs associated with acquisitions such as compensation, rent and depreciation. As a percentage of total revenue, operating expenses increased slightly to 12.7% for the nine months ended October 31, 2011, compared to 12.6% for the same period in the prior year. Higher operating expenses related to our Construction segment, which includes additional expenses associated with growing the rental business, and an increase in the Company's compensation expenses as a percentage of revenue offset our ability to leverage fixed operating costs over higher revenues. The increase in compensation expenses was impacted by sales commissions, which are calculated based on equipment gross profits rather than revenues.

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Other Income (Expense)

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	Increase/ (Decrease)	Percent Change
	(dollars in thousands)			
Interest and other income	$ 859	$ 414	$ 445	107.5%
Floorplan interest expense	(5,121)	(5,850)	(729)	(12.5)%
Interest expense other	(899)	(1,129)	(230)	(20.4)%

The decrease in floorplan interest expense of $0.7 million for the nine months ended October 31, 2011, as compared to the same period in the prior year, was primarily due to lower interest rates associated with our Credit Agreement entered into on October 31, 2010. This was partially offset by an increase in new equipment inventories to support forecasted equipment sales, resulting in an increase in the related interest-bearing floorplan notes payable balance.

Provision for Income Taxes

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	Increase	Percent Change
	(dollars in thousands)			
Provision for income taxes	$ 17,575	$ 8,068	$ 9,507	117.8%

Our effective tax rate decreased slightly from 40.2% for the nine months ended October 31, 2010 to 40.0% for the nine months ended October 31, 2011.

Segment Results

Certain financial information for our Agriculture and Construction business segments is set forth below. Revenue and income (loss) before income taxes at the segment level are reported before eliminations. "Shared Resources" in the table below refers to the various unallocated income/(expense) items that we have retained at the general corporate level. Intersegment revenue is immaterial.

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	Increase/ (Decrease)	Percent Change
	(dollars in thousands)			
Revenue				
Agriculture	$ 914,932	$ 645,269	$ 269,663	41.8%
Construction	181,395	108,140	73,255	67.7%
Segment revenue	1,096,327	753,409	342,918	45.5%
Eliminations	(44,353)	(26,979)	(17,374)	(64.4)%
Total	$ 1,051,974	$ 726,430	$ 325,544	44.8%
Income (Loss) Before Income Taxes				
Agriculture	$ 43,964	$ 25,458	$ 18,506	72.7%
Construction	4,482	(2,936)	7,418	252.7%
Segment income (loss) before income taxes	48,446	22,522	25,924	115.1%
Shared Resources	(3,786)	(1,977)	(1,809)	(91.5)%
Eliminations	(726)	(498)	(228)	(45.8)%
Total	$ 43,934	$ 20,047	$ 23,887	119.2%

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Agriculture

Agriculture segment revenue for the nine months ended October 31, 2011 increased 41.8% compared to the same period last year. The revenue increase was due to acquisitions and an Agriculture same-store sales increase of 21.6% over the nine months ended October 31, 2010. The same-store sales growth was positively impacted by a strong equipment market primarily caused by increased farm cash receipts for calendar year 2010 and anticipated strong farm cash receipts for calendar year 2011.

Agriculture segment income before income taxes for the nine months ended October 31, 2011 increased 72.7% compared to the same period last year, primarily due to higher Agriculture segment revenue.

Construction

Construction segment revenue for the nine months ended October 31, 2011 increased 67.7% compared to the same period last year. The revenue increase was due to acquisitions, a Construction same-store sales increase of 33.8% over the nine month ended October 31, 2010, and growth in the rental business. The same-store sales growth was positively impacted by an improved construction equipment market in the region in which we do business and results from ongoing operational improvements. The growth in the rental business reflects our initiative to expand this growth platform through strategic acquisitions, including the purchase of ABC Rental & Equipment Sales in the first quarter of fiscal 2012, new store openings, and an increase in the size of our designated rental fleet.

The Construction segment earned segment income before income taxes of $4.5 million, compared to a segment loss before income taxes of $2.9 million in the same period last year. This improvement was primarily caused by increases in Construction segment revenue and equipment gross profit margin, resulting from the aforementioned improvements in market conditions, and an increase in gross profit margin on rental and other, resulting from increased utilization of our rental fleet.

Shared Resources/Eliminations

We incur centralized expenses/income at our general corporate level, which we refer to as “Shared Resources,” and then allocate these net expenses to our segments. Since these allocations are set early in the year, unallocated balances may occur.

Eliminations remove any inter-company revenue and income before income taxes residing in our segment results.

Liquidity and Capital Resources

Cash Flow from Operating Activities

For the nine months ended October 31, 2011, cash used for operating activities was $176.8 million. Our cash used for operating activities was primarily the result of an increase in net cash for inventories of $232.5 million. This amount was principally offset by our reported net income of $26.4 million, an add-back of non-cash depreciation and amortization of $10.2 million, and an increase in accounts payable, customer deposits, accrued expenses and other long-term liabilities of $14.6 million. The increase in inventories primarily reflects new equipment stocking to support forecasted equipment sales. We evaluate our cash flow from operating activities net of all floorplan activity and short-term advances related to customer contracts in transit. Taking these adjustments into account, our non-GAAP cash flow used for operating activities was $14.5 million as of October 31, 2011. For a reconciliation of this non-GAAP financial measure, please see the Non-GAAP Cash Flow Reconciliation section below.

For the nine months ended October 31, 2010, cash used for operating activities was $41.3 million. Our cash used for operations was primarily the result of an increase in net cash used for inventories of $57.1 million and a net increase in receivables, prepaid expenses and other assets of $12.6 million. This amount was offset primarily by our reported net income of $12.0 million, an add-back of non-cash depreciation and amortization of $6.4 million, an increase in income taxes payable of

$4.7 million and an increase in manufacturer floorplan notes payable of $2.9 million. The increase in inventories primarily reflected new equipment purchases to support future sales.

Cash Flow from Investing Activities

For the nine months ended October 31, 2011, cash used for investing activities was $47.2 million. Our cash used for investing activities primarily consisted of purchases of equipment dealerships (net of cash purchased) of $38.6 million and purchases of property and equipment of $11.7 million.

For the nine months ended October 31, 2010, cash used for investing activities was $13.2 million. Our cash used for investing activities primarily consisted of purchases of property and equipment of $11.2 million and the purchases of equipment dealerships (net of cash purchased) of $2.4 million.

Cash Flow from Financing Activities

For the nine months ended October 31, 2011, cash provided by financing activities was $245.8 million. Cash provided by financing activities was primarily the result of an increase in non-manufacturer floorplan notes payable of $162.7 million, $74.9 million in net proceeds from our follow-on offering, and proceeds from long-term debt borrowings exceeding principal payments on long-term debt by $8.2 million.

For the nine months ended October 31, 2010, cash provided by financing activities was $44.3 million. Cash provided by financing activities was primarily the result of an increase in non-manufacturer floorplan notes payable of $45.2 million, offset by principal payments on long-term debt exceeding proceeds from long-term debt borrowings by $0.9 million.

Non-GAAP Cash Flow Reconciliation

Non-GAAP cash flow provided by (used for) operating activities is a non-GAAP financial measure which is adjusted for the following:

- Non-manufacturer floorplan notes payable: We review our cash flow from operating activities to include all floorplan notes payable activity regardless of whether we obtain the financing from a manufacturer or a non-manufacturer. We consider inventory financing with both manufacturers and non-manufacturers to be part of the normal operations of our business and use the adjusted cash flow analysis in the evaluation of our inventory and inventory flooring needs. GAAP categorizes non-manufacturer floorplan notes payable as financing activities in the consolidated statements of cash flows.

- Short-term advances related to customer contracts in transit: We review our cash flow from operating activities to include short-term advances related to customer contracts in transit. These advances are directly related to our contracts in transit and are considered part of our working capital. GAAP categorizes short-term advances related to customer contracts in transit as financing activities in the consolidated statements of cash flows.

The following table reconciles net cash provided by (used for) operating activities, a GAAP measure, to non-GAAP cash flow provided by (used for) operating activities as of October 31, 2011 and 2010 and net cash provided by (used for)

financing activities, a GAAP measure, to non-GAAP cash flow provided by (used for) financing activities as of October 31, 2011 and 2010:

	Cash Flow As Reported	Adjustment (1)	Adjustment (2)	Non-GAAP Cash Flow
		(in thousands)		
Nine months ended October 31, 2011				
Net cash provided by (used for) operating activities	$ (176,842)	$ 162,698	$ (388)	$ (14,532)
Net cash provided by (used for) financing activities	245,784	(162,698)	388	83,474
Nine months ended October 31, 2010				
Net cash provided by (used for) operating activities	$ (41,311)	$ 45,179	$ (104)	$ 3,764
Net cash provided by (used for) financing activities	44,335	(45,179)	104	(740)

(1) - Net change in non-manufacturer floorplan notes payable
(2) - Net change in short-term advances related to customer contracts in transit

Non-GAAP cash flow provided by (used for) operating activities should be evaluated in addition to, and not considered a substitute for, or superior to, other GAAP measures such as net cash provided by (used for) operating activities.

Sources of Liquidity

Our primary sources of liquidity are cash reserves, cash flow from operations, proceeds from the issuance of debt and equity, and borrowings under our credit facilities. We expect that ongoing requirements for debt service and capital expenditures will be funded from these sources.

Adequacy of Capital Resources

Our primary uses of cash have been to fund our strategic acquisitions, finance the purchase of inventory, meet debt service requirements and fund operating activities, working capital, payments due under building space operating leases and manufacturer floorplan notes payable. Based on our current operational performance, we believe our cash flow from operations, available cash and available borrowings under our existing credit facilities will adequately provide our liquidity needs for, at a minimum, the next 12 months.

Certain Information Concerning Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance, special purpose entities or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We are, therefore, not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in these relationships. In the normal course of our business activities, we lease rental equipment and buildings under operating leases.

PRIVATE SECURITIES LITIGATION REFORM ACT

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. Such “forward-looking” information is included in this Quarterly Report on Form 10-Q, including in “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations,” as well as in our Annual Report on Form 10-K for the year ended January 31, 2011, and in other materials filed or to be filed by the Company with the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by the Company).

Forward-looking statements include all statements based on future expectations and specifically include, among other things, all statements relating to our expectations regarding inventory levels, interest expense, line of credit repayment, agriculture market conditions, our primary liquidity sources and adequacy of our capital resources. Any statements that are not based upon historical facts, including the outcome of events that have not yet occurred and our expectations for future performance, are forward-looking statements. The words “potential,” “believe,” “estimate,” “expect,” “intend,” “may,” “could,” “will,” “plan,” “anticipate,” and similar words and expressions are intended to identify forward-looking statements. Such statements are based upon the current

beliefs and expectations of our management. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of the

Company. These risks and uncertainties include, but are not limited to, adverse market conditions in the agricultural and construction equipment industries, the continuation of unfavorable conditions in the credit markets, difficulties in conducting international operations and those matters identified and discussed in our most recent Annual Report on Form 10-K under the section titled "Risk Factors," as updated in our subsequent periodic reports.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices such as interest rates. For fixed rate debt, interest rate changes affect the fair value of financial instruments but do not impact earnings or cash flows. Conversely, for floating rate debt, interest rate changes generally do not affect the fair value but do impact future earnings and cash flows, assuming other factors are held constant. We have both fixed and floating rate financing.

Based upon balances and interest rates as of October 31, 2011, holding other variables constant, a one percentage point increase in interest rates for the next 12-month period would decrease pre-tax earnings and cash flow by approximately $3.6 million. Conversely, a one percentage point decrease in interest rates for the next 12-month period would result in an increase to pre-tax earnings and cash flow of approximately $3.6 million. At October 31, 2011, we had variable rate floorplan notes payable of $576.8 million, of which approximately $310.3 million was interest-bearing, variable notes payable and long-term debt of $50.8 million, and fixed rate notes payable and long-term debt of $10.7 million.

Our policy is not to enter into derivatives or other financial instruments for trading or speculative purposes.

ITEM 4. CONTROLS AND PROCEDURES

(a) *Evaluation of disclosure controls and procedures*. After evaluating the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act") as of the end of the period covered by this Quarterly Report, the Company's Chief Executive Officer and Chief Financial Officer, with the participation of the Company's management, have concluded that the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) are effective.

(b) *Changes in internal controls*. There has not been any change in the Company's internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during its most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are currently not a party to any material pending legal proceedings.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, including the important information in "Private Securities Litigation Reform Act," you should carefully consider the "Risk Factors" discussed in our Form 10-K for the year ended January 31, 2011 as filed with the Securities and Exchange Commission. Those factors, if they were to occur, could cause our actual results to differ materially from those expressed in our forward-looking statements in this report, and materially adversely affect our financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial might materially adversely affect our actual business, financial condition and/or operating results. In addition, you should consider the following risk factor:

Table of Contents

International operations expose us to additional risks.

Operations in countries outside the U.S. are accompanied by certain risks and potential costs, including:

- difficulties implementing our business model in foreign markets;
- costs and diversion of management attention related to oversight of international operations;
- fluctuations in foreign currency exchange rates;
- tariffs, quotas, and other regulations of international trade;
- import and export licensing requirements;
- compliance with multiple, and potentially conflicting, foreign laws, regulations and policies that are subject to change;
- compliance with the Foreign Corrupt Practices Act and other U.S. laws that apply to the international operations of U.S. companies;
- lesser intellectual property protection in some foreign countries than exists in the U.S.;
- changing economic conditions in the international markets in which we operate;
- labor practices that differ from those in the U.S.; and
- political and economic instability, including occasional disruption in foreign financial markets.

These factors, in addition to others that we have not anticipated, may negatively impact our business, results of operations and financial condition.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. (REMOVED AND RESERVED)

ITEM 5. OTHER INFORMATION

On October 19, 2011, we entered into a Credit Commitment Increase Agreement (the "Increase Agreement") with a syndicated group of lenders comprised of Wells Fargo Bank, National Association, CoBank, ACB, Bank of America, N.A., U.S. Bank National Association, and Bank of the West (collectively, and including Bremer Bank, the "Lenders"). The Increase Agreement raised aggregate commitment amounts by $50 million under our Credit Agreement with the Lenders dated October 31, 2010, as amended (the "Credit Agreement"). Specifically, the Increase Agreement increased Lenders' aggregate working capital commitment under the Credit Agreement by $25 million, to $75 million, and Lenders' aggregate floorplan financing commitment by $25 million, to $200 million. Individual Lender commitment amounts and percentage share amounts were also revised. All other material provisions of the Credit Agreement remained unchanged.

On October 27, 2011, we entered into an amendment (the "CNH Amendment") to our Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement dated November 13, 2007 with CNH Capital America LLC, as amended (the "CNH Facility"), which CNH Amendment increased our total wholesale floor plan credit limit under the CNH Facility by $50 million to $350 million. All other material provisions of the Credit Agreement remained unchanged.

The foregoing descriptions of the material terms of the Increase Agreement and CNH Amendment do not purport to be complete and are qualified in their entirety by reference to the full text of the Increase Agreement and CNH Amendment, which are filed as Exhibit 10.1 and Exhibit 10.2, respectively, to this Quarterly Report.

ITEM 6. EXHIBITS

Exhibits - See "Exhibit Index" on page following signature page.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: December 9, 2011

TITAN MACHINERY INC.

By /s/ Mark P. Kalvoda
Mark P. Kalvoda
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX
TITAN MACHINERY INC.
FORM 10-Q

Exhibit No.	Description
*10.1	Credit Commitment Increase Agreement dated October 19, 2011 by and among the Company and the Lenders party thereto.
*10.2	Amendment dated October 27, 2011 to Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement, by and between the Company and CNH Capital America LLC.
*10.3	Letter Agreement with CNH Capital America, LLC dated September 30, 2011.
*10.4	Second Amendment to Credit Agreement dated as of December 1, 2011 by and among the Company and the Lenders party thereto.
*31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

**101	Financial statements from the Quarterly Report on Form 10-Q of the Company for the quarter ended October 31, 2011, formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statement of Stockholders' Equity, (iv) the Consolidated Statements of Cash Flows, and (v) the Notes to the Consolidated Financial Statements tagged as blocks of text.

*Filed herewith
** Furnished herewith

CREDIT COMMITMENT INCREASE AGREEMENT

dated as of October 19, 2011
among

TITAN MACHINERY INC.
a Delaware corporation,
as Borrower,

THE FINANCIAL INSTITUTIONS PARTY HERETO,
as Lenders,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

BANK OF AMERICA, N.A.
as Co-Documentation Agent

COBANK, ACB
as Co-Documentation Agent

WELLS FARGO SECURITIES, LLC
Sole Lead Arranger and Sole Book Runner

CREDIT COMMITMENT INCREASE AGREEMENT

This CREDIT COMMITMENT **INCREASE AGREEMENT** ("**Agreement**"), dated as of October 19, 2011, is among **TITAN MACHINERY INC.**, a Delaware corporation ("**Borrower**"), the several financial institutions party to this Agreement as Lenders, and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as Administrative Agent. This Agreement relates to that certain Credit Agreement dated October 31, 2010 by and among Borrower, Lenders, and Wells Fargo Bank, National Association, as Administrative Agent, L/C Issuer, and Swing Line Lender, as amended by the First Amendment to Credit Agreement dated May 31, 2011 (the "**Credit Agreement**"). Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Credit Agreement.

RECITALS

WHEREAS, pursuant to Section 2.14 of the Credit Agreement, Borrower has requested that the Aggregate Working Capital Commitments be increased by $25,000,000.00 and that the Aggregate Floorplan Commitments be increased by $25,000,000.00; and

WHEREAS the Administrative Agent and Lenders have agreed to increase the Aggregate Working Capital Commitments and Aggregate Floorplan Commitments pursuant to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

AGREEMENT

SECTION 1. ADDITIONAL COMMITMENTS

1.1 Upon the Additional Commitments Effective Date, the Aggregate Working Capital Commitments will be increased to $75,000,000.00 and each Lender's Working Capital Commitment and Working Capital Percentage Share will be as set forth on Exhibit A attached hereto.

1.2 Upon the Additional Commitments Effective Date, the Aggregate Floorplan Commitments will be increased to $200,000,000.00 and each Lender's Floorplan Commitment and Floorplan Percentage Share will be as set forth on Exhibit A attached hereto.

1.3 The Additional Commitments Effective Date for this increase of the Aggregate Working Capital Commitments and Aggregate Floorplan Commitments shall be October 19, 2011.

SECTION 2. EXPENSES

Borrower shall pay all expenses and costs of Administrative Agent (including, without limitation, the attorney fees and expenses of counsel for Administrative Agent) in connection with the preparation, negotiation, execution and approval of this Agreement and any and all other documents, instruments and things contemplated hereby, whether or not such transactions are consummated, together with all other expenses and costs incurred by Administrative Agent chargeable to Borrower pursuant to the terms of the Credit Agreement which are unpaid at such time.

SECTION 3. CONDITIONS PRECEDENT

The Aggregate Working Capital Commitments and Aggregate Floorplan Commitments shall not be increased until the following conditions precedent are satisfied as determined by Administrative Agent:

3.1 Delivery by Borrower to Administrative Agent of Working Capital Loan Notes and Floorplan Loan Notes payable to each Lender in the amount of each Lender's new commitment amounts, in form and substance reasonably acceptable to Administrative Agent;

3.2 Delivery by Borrower to Administrative Agent of an executed Closing Certificate in the form required by Section 2.14(b) of the Credit Agreement;

3.3 No Default shall have occurred and be continuing or shall occur as a result of the increase in the amount of the Aggregate Working Capital Commitments and Aggregate Floorplan Commitments;

3.4 Payment by Borrower to Administrative Agent of all amounts owed to Administrative Agent in connection with this Agreement under the Engagement Letter among Borrower, Wells Fargo Bank, N.A., and Wells Fargo Securities, LLC dated September 27, 2011; and

3.5 Delivery by Borrower to Administrative Agent of such other documents, certificates, and resolutions as Administrative Agent may request.

SECTION 4. RATIFICATION; ESTOPPEL; REAFFIRMATION

4.1 Borrower hereby reaffirms and ratifies the Credit Agreement and other Loan Documents, as amended, modified and supplemented hereby.

4.2 Borrower hereby reaffirms to Administrative Agent and to each Lending Party that each of the representations, warranties, covenants and agreements set forth in the Credit Agreement and the other Loan Documents with the same force and effect as if each were separately stated herein and made as of the date hereof.

4.3 Borrower further represents and warrants that, as of the date hereof, it has no counterclaims, defenses or offsets of any nature whatsoever to the Obligations or any of the Loan Documents and that as of the date hereof no unwaived Default or Event of Default by Borrower, Administrative Agent or any Lending Party has occurred or exists under any of the Loan Documents.

4.4 Borrower hereby ratifies, affirms, reaffirms, acknowledges, confirms and agrees that the Credit Agreement and other Loan Documents, as amended, modified and supplemented hereby by this Agreement, represent the valid, binding, enforceable and collectible obligations of Borrower.

4.5 Borrower hereby affirms, acknowledges and confirms that the provisions of this Agreement shall be a part of the Credit Agreement and Loan Documents for all purposes.

4.6 Borrower affirms and acknowledges that the recitals to this Agreement are true and accurate and are hereby incorporated into this Agreement.

SECTION 5. GOVERNING LAW; JURISDICTION; ETC.

5.1 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

5.2 SUBMISSION TO JURISDICTION. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO WHICH EACH IS A PARTY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE COURTS OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURTS. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY OTHER PARTY OR ANY OF ITS PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION.

5.3 WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST

EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN SECTION 3.5.2. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

5.4 SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN S**ECTION 10.02** OF THE CREDIT AGREEMENT. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

SECTION 6. COUNTERPARTS; SEVERABILITY

6.1 This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

6.2 If any term or provision of this Agreement, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

SECTION 7. WAIVER OF RIGHT TO JURY TRIAL

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

SECTION 8. FINAL EXPRESSION

THIS WRITTEN AGREEMENT IS THE FINAL EXPRESSION OF THE AGREEMENT TO THE CREDIT AGREEMENT AMONG THE PARTIES HERETO AS THE SAME EXISTS TODAY AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR OR CONTEMPORANEOUS ORAL AGREEMENT BETWEEN THE PARTIES HERETO.

BY SIGNING BELOW, THE PARTIES HERETO HEREBY AFFIRM THAT THERE IS NO UNWRITTEN ORAL CREDIT AGREEMENT BETWEEN THEMSELVES WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT OR OF THE CREDIT AND SECURITY AGREEMENT GENERALLY.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

Borrower:

TITAN MACHINERY INC.,
a Delaware corporation

By: /s/ Ted O. Christianson
Ted O. Christianson, Vice President of Finance

ADMINISTRATIVE AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association, as Administrative Agent

By: /s/ Mark T. Lundquist
Name: Mark T. Lundquist
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association, as a Lender

By: /s/ Mark T. Lundquist
Name: Mark T. Lundquist
Title: Vice President

LENDER:

COBANK, ACB

By: /s/ Jason Lueders
Name: Jason Lueders
Title: Vice President

LENDER:

BANK OF AMERICA, N.A.

By: /s/ Don Stafford
Name: Don Stafford
Title: SVP

LENDER:

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Magnus McDowell
Name: Magnus McDowell
Title: Vice President

LENDER:

BANK OF THE WEST
a California banking corporation

By: /s/ Brian Hunter
Name: Brian Hunter
Title: Vice President

EXHIBIT A
CREDIT COMMITMENT INCREASE AGREEMENT

FLOORPLAN LOANS

Lender		**Commitment Amount**	**Percentage Share**
Wells Fargo Bank, N.A.	$	71,444,444.44	35.722222222222%
CoBank, ACB	$	35,888,888.89	17.944444444444%
Bank of America, N.A.	$	35,888,888.89	17.944444444444%
U.S. Bank, N.A.	$	27,000,000.00	13.500000000000%
Bank of the West	$	18,111,111.11	9.055555555556%
Bremer Bank, N.A.	$	11,666,666.67	5.833333333333%
TOTAL	$	200,000,000.00	100.000000000000%

WORKING CAPITAL LOANS

Lender		Commitment Amount	Percentage Share
Wells Fargo Bank, N.A.	$	27,000,000.00	36.000000000000%
CoBank, ACB	$	13,666,666.67	18.222222222222%
Bank of America, N.A.	$	13,666,666.67	18.222222222222%
U.S. Bank, N.A.	$	10,333,333.33	13.777777777778%
Bank of the West	$	7,000,000.00	9.333333333333%
Bremer Bank, N.A.	$	3,333,333.33	4.444444444444%
TOTAL	$	75,000,000.00	100.000000000000%

FORM OF WORKING CAPITAL LOAN NOTE

$ October 19, 2011

FOR VALUE RECEIVED, Titan Machinery Inc., a Delaware corporation ("***Borrower***") hereby promises to pay to (the "***Lender***"), the principal sum of or such lesser amount as shall equal the aggregate outstanding principal balance of the Working Capital Loans made by the Lender to the Borrower pursuant to that certain Credit Agreement, dated as of October 31, 2010, among Borrower, the Subsidiary Guarantors party thereto, the several financial institutions party thereto as Lenders, and Wells Fargo Bank, National Association, a national banking association, as Administrative Agent, Swing Line Lender and L/C Issuer (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), on or before the Working Capital Maturity Date specified in the Credit Agreement; and to pay interest on said sum, or such lesser amount, at the rates and on the dates provided in the Credit Agreement.

The Borrower shall make all payments hereunder, for the account of the Lender's applicable Lending Office, to the Administrative Agent as indicated in the Credit Agreement, in lawful money of the United States and in same day or immediately available funds.

The Borrower hereby authorizes the Lender to record on the schedule(s) annexed to this Note the date and amount of each Working Capital Loan and of each payment or prepayment of principal made by the Borrower and agree that all such notations shall be conclusive absent manifest error with respect to the matters noted; provided, however, that the failure of the Lender to make any such notation shall not affect the Borrower's obligations hereunder.

This Note is one of the Notes referred to in the Credit Agreement. This Note is subject to the terms of the Credit Agreement, including the rights of prepayment and the rights of acceleration of maturity set forth therein. Terms used herein have the meanings assigned to those terms in the Credit Agreement, unless otherwise defined herein.

The transfer, sale or assignment of any rights under or interest in this Note is subject to certain restrictions contained in the Credit Agreement, including Section 10.06 thereof.

To the extent set forth in the Credit Agreement, the Borrower shall pay all reasonable fees and expenses, including attorneys' fees, incurred by the Lender in the enforcement or attempt to enforce any of the Borrower's obligations hereunder not performed when due. The Borrower hereby waives notice of presentment, demand, protest or notice of any other kind.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

[signature page to follow]

IN WITNESS WHEREOF, Borrower has duly executed this Note effective on the date first written above.

TITAN MACHINERY INC.,
a Delaware corporation

By: ______________________________
Name: Ted O. Christianson
Title: Vice President of Finance

FORM OF FLOORPLAN LOAN NOTE

$ October 19, 2011

FOR VALUE RECEIVED, Titan Machinery Inc., a Delaware corporation ("***Borrower***") hereby promises to pay to (the "***Lender***"), the principal sum of or such lesser amount as shall equal the aggregate outstanding principal balance of the Floorplan Loans made by the Lender to the Borrower pursuant to that certain Credit Agreement, dated as of October 31, 2010, among Borrower, the Subsidiary Guarantors party thereto, the several financial institutions party thereto as Lenders, and Wells Fargo Bank, National Association, a national banking association, as Administrative Agent, Swing Line Lender and L/C Issuer (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), on or before the Floorplan Maturity Date specified in the Credit Agreement; and to pay interest on said sum, or such lesser amount, at the rates and on the dates provided in the Credit Agreement.

The Borrower shall make all payments hereunder, for the account of the Lender's applicable Lending Office, to the Administrative Agent as indicated in the Credit Agreement, in lawful money of the United States and in same day or immediately available funds.

The Borrower hereby authorizes the Lender to record on the schedule(s) annexed to this Note the date and amount of each Floorplan Loan and of each payment or prepayment of principal made by the Borrower and agree that all such notations shall be conclusive absent manifest error with respect to the matters noted; provided, however, that the failure of the Lender to make any such notation shall not affect the Borrower's obligations hereunder.

This Note is one of the Notes referred to in the Credit Agreement. This Note is subject to the terms of the Credit Agreement, including the rights of prepayment and the rights of acceleration of maturity set forth therein. Terms used herein have the meanings assigned to those terms in the Credit Agreement, unless otherwise defined herein.

The transfer, sale or assignment of any rights under or interest in this Note is subject to certain restrictions contained in the Credit Agreement, including Section 10.06 thereof.

To the extent set forth in the Credit Agreement, the Borrower shall pay all reasonable fees and expenses, including attorneys' fees, incurred by the Lender in the enforcement or attempt to enforce any of the Borrower's obligations hereunder not performed when due. The Borrower hereby waives notice of presentment, demand, protest or notice of any other kind.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

[signature page to follow]

IN WITNESS WHEREOF, Borrower has duly executed this Note effective on the date first written above.

TITAN MACHINERY INC.,
a Delaware corporation

By: ______________________________
Name: Ted O. Christianson
Title: Vice President of Finance

Exhibit 10.2

FIAT INDUSTRIAL

CNH CAPITAL

STRATEGIC ACCOUNTS GROUP

Nicholas C. Mast
Director
Strategic Accounts

October 27, 2011

Titan Machinery, Inc.
644 E. Beaton Dr.
West Fargo, ND 58078

Attn: Ted O. Christianson,
Vice President, Finance
via electronic mail

Re: Wholesale Floor Plan Credit Facility

Dear Mr. Christianson:

Titan Machinery, Inc. ("Titan") and CNH Capital America LLC ("CNH") are parties to an Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement dated November 13, 2007, as amended from time to time, most recently amended in a letter dated September 30, 2011 (the "Agreement"). This letter will confirm that the current total wholesale floor plan credit limit for Titan Machinery is $350,000,000.00.

Very truly yours,

CNH Capital America LLC

/s/ Nicholas Mast
Nicholas Mast Director Strategic Accounts

Titan Machinery, Inc. agrees to the above described amendment to the Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement dated November 13, 2007, as amended.

Titan Machinery, Inc.

/s/ Ted O. Christianson
Ted O. Christianson, VP Finance and Treasurer

CNH Capital
233 Lake Avenue
Racine, WI 53403

FIAT INDUSTRIAL

CNH CAPITAL

STRATEGIC ACCOUNTS GROUP

Nicholas C. Mast
Director
Strategic Accounts

September 30, 2011

Titan Machinery, Inc.
644 E. Beaton Dr.
West Fargo, ND 58078

Attn: Ted O. Christianson,
Vice President, Finance

via electronic mail

Dear Mr. Christianson:

Titan Machinery, Inc. ("Titan") and CNH Capital America LLC ("CNH") are parties to an Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement dated November 13, 2007, as amended from time to time, most recently amended in a letter dated June 30, 2010 (the "Agreement"). The Agreement provides that, among other things, the rate of interest charged on credit facilities, provided by CNH, shall be the standard CNH rates, with the exception of credit line 1 (new units), credit line 2 (trade-in units), credit line 6 (matured used units), credit line 7 (matured new units), credit line 8 (lease return/repo units), which shall have an interest rate of Prime +4.00%, and credit line 11 (premier rental line) which will have interest charged according to the pay plans in place from time to time.

By executing this letter agreement, the parties wish to further amend the terms of the Agreement as follows: a) Prime +4% shall continue to be the interest rate applicable for the credit lines 1, 2, 6, 7, and 8, under the Agreement; b) the interest rate for credit line 11 shall continue to be according to the pay plans in place from time to time; c) all other credit facilities will remain according to CNH's standard rates of interest; d) CNH Capital will review interest rates under the Agreement periodically; and e) CNH Capital shall provide Titan 30 days prior notice of any change in interest rates; provided, however, all interest rates shall be subject to the standard rate of default interest for all credit facilities, as set forth in the Agreement, upon any applicable event of default.

Except as specifically amended herein, all other terms of the Agreement shall remain unchanged.

CNH Capital
233 Lake Avenue
Racine, WI 53403

Very truly yours,

CNH Capital America LLC

/s/ Nicholas Mast
Nicholas Mast Director Strategic Accounts

Titan Machinery, Inc. agrees to the above described amendment to the Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement dated November 13, 2007, as amended.

Titan Machinery, Inc.

/s/ Ted O. Christianson
Ted O. Christianson, VP Finance and Treasurer

CNH Capital
233 Lake Avenue
Racine, WI 53403

Exhibit 10.4

SECOND AMENDMENT TO CREDIT AGREEMENT

dated as of December 1, 2011

TITAN MACHINERY INC.
a Delaware corporation,
as Borrower,

THE FINANCIAL INSTITUTIONS PARTY HERETO,
as Lenders,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent,
Swing Line Lender and L/C Issuer

BANK OF AMERICA, N.A.
as Co-Documentation Agent

COBANK, ACB
as Co-Documentation Agent

WELLS FARGO SECURITIES, LLC
Sole Lead Arranger and Sole Book Runner

SECOND AMENDMENT TO CREDIT AGREEMENT

This **SECOND AMENDMENT TO CREDIT AGREEMENT** ("***Second Amendment***"), dated as of December 1, 2011 ("***Second Amendment Effective Date***"), is among **TITAN MACHINERY INC.**, a Delaware corporation ("***Borrower***"), the several financial institutions party to this Agreement as Lenders, and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as Administrative Agent, Swing Line Lender and L/C Issuer. Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS Borrower, Administrative Agent, Lenders, Co-Documentation Agents, Swing Line Lender, and L/C Issuer are parties to that certain Credit Agreement dated October 31, 2010, as amended by that certain First Amendment to Credit Agreement dated May 31, 2011 (as amended from time to time, the "***Credit Agreement***") and, as applicable, the other Loan Documents, pursuant to which, Lenders have made available to Borrower certain extensions of credit referenced therein on the terms and conditions contained therein; and

WHEREAS Borrower has requested that Administrative Agent and Lenders (a) amend the definition of Consolidated Total Liabilities solely as it relates to the calculation of the Consolidated Leverage Ratio for the Fiscal Period ending October 31, 2011, and (b) further modify the Credit Agreement on the terms and conditions contained herein; and

WHEREAS the Administrative Agent and Lenders have agreed to amend the definition of Consolidated Total Liabilities solely as it relates to the calculation of the Consolidated Leverage Ratio for the Fiscal Period ending October 31, 2011, and to further modify the Credit Agreement on the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

AGREEMENT

ARTICLE I — MODIFICATIONS & CONSENTS

SECTION 1.1 MODIFICATIONS TO CREDIT AGREEMENT

As of the Second Amendment Effective Date, the Credit Agreement is hereby modified as follows:

1.1.1 Solely for the purpose of calculating the Consolidated Leverage Ratio for compliance under Section 6.12(a) of the Credit Agreement for the Fiscal Period ending October 31, 2011, the

definition of "Consolidated Total Liabilities" set forth below shall be substituted for the definition of "Consolidated Total Liabilities" set forth in Section 1.01 of the Credit Agreement:

"***Consolidated Total Liabilities***" means as of October 31, 2011, total liabilities reflected on the consolidated balance sheet of the Borrower and its Subsidiaries as of such date prepared in accordance with GAAP, less the amount by which the Cash Equivalents held by Borrower and its Subsidiaries at the end of such period exceed $30,000,000.

1.1.2 Except as set forth in Section 1.1.1 hereof, the definition of "Consolidated Total Liabilities" set forth in Section 1.01 of Credit Agreement shall be (including for the calculation of the Applicable Rate for all periods) :

"***Consolidated Total Liabilities***" means as of any date, total liabilities reflected on the consolidated balance sheet of the Borrower and its Subsidiaries as of such date prepared in accordance with GAAP.

ARTICLE II — COVENANTS

SECTION 2.1 EXPENSES

Borrower shall pay all expenses and costs of Administrative Agent (including, without limitation, the attorney fees and expenses of counsel for Administrative Agent) in connection with the preparation, negotiation, execution and approval of this Second Amendment and any and all other documents, instruments and things contemplated hereby, whether or not such transactions are consummated, together with all other expenses and costs incurred by Administrative Agent chargeable to Borrower pursuant to the terms of the Credit Agreement which are unpaid at such time.

ARTICLE III — CONDITIONS TO SECOND AMENDMENT; GENERAL PROVISIONS

SECTION 3.1 CONDITIONS PRECEDENT

3.1.1 This Second Amendment and the transactions contemplated herein are expressly conditioned upon the satisfaction by Borrower of the following conditions, all in the sole but reasonable discretion of the Administrative Agent:

(a) All conditions contained in **Section 4.01** of the Credit Agreement shall have been satisfied;

(b) No Material Adverse Effect shall have occurred since Closing;

(c) No Default or Event of Default shall have occurred and be continuing; and

(d) Borrower shall have paid all amounts owed to Administrative Agent and Lenders in connection with this Second Amendment.

3.1.2 Without limiting the foregoing, the effectiveness of this Second Amendment shall be conditioned on receipt by Administrative Agent of the consent of Required Lenders.

SECTION 3.2 RATIFICATION; ESTOPPEL; REAFFIRMATION

3.2.1 Borrower hereby reaffirms and ratifies the Credit Agreement and other Loan Documents, as amended, modified and supplemented hereby.

3.2.2 Borrower hereby reaffirms to Administrative Agent and to each Lending Party that each of the representations, warranties, covenants and agreements set forth in the Credit Agreement and the other Loan Documents with the same force and effect as if each were separately stated herein and made as of the date hereof.

3.2.3 Borrower further represents and warrants that, as of the date hereof, it has no counterclaims, defenses or offsets of any nature whatsoever to the Obligations or any of the Loan Documents and that as of the date hereof no unwaived Default or Event of Default by Borrower, Administrative Agent or any Lending Party has occurred or exists under any of the Loan Documents.

3.2.4 Borrower hereby ratifies, affirms, reaffirms, acknowledges, confirms and agrees that the Credit Agreement and other Loan Documents, as amended, modified and supplemented hereby by this Second Amendment, represent the valid, binding, enforceable and collectible obligations of Borrower.

3.2.5 Borrower hereby affirms, acknowledges and confirms that the provisions of this Second Amendment shall be a part of the Credit Agreement and Loan Documents for all purposes.

3.2.6 Borrower affirms and acknowledges that the recitals to this Second Amendment are true and accurate and are hereby incorporated into this Second Amendment.

SECTION 3.3 RELEASE

Borrower does hereby release, remise, acquit and forever discharge Administrative Agent and Lenders and Administrative Agent's and Lenders' employees, agents, representatives, consultants, attorneys, fiduciaries, servants, officers, directors, partners, predecessors, successors and assigns, subsidiary corporations, parent corporation, and related corporate divisions (all of the foregoing hereinafter called the "***Released Parties***"), from any and all action and causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct and/or indirect, at law or in equity, of whatsoever kind or nature, whether heretofore or hereafter arising, for or because of any matter or things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of or in any way connected to this Second Amendment, the Credit Agreement and the other Loan Documents, except, in each case, to the extent of the gross negligence or willful misconduct of the Released Parties (all of the foregoing hereinafter called the "***Released Matters***"). Borrower acknowledges that the agreements in this paragraph are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Released Matters. Borrower represents and warrants to Administrative Agent and the Lenders that it has not purported to

transfer, assign or otherwise convey any right, title or interest of Borrower in any Released Matter to any other Person and that the foregoing constitutes a full and complete release of all Released Matters.

SECTION 3.4 TIME OF THE ESSENCE

Time is of the essence of the Second Amendment, the Credit Agreement and Loan Documents.

SECTION 3.5 GOVERNING LAW; JURISDICTION; ETC.

3.5.1 GOVERNING LAW. THIS SECOND AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

3.5.2 SUBMISSION TO JURISDICTION. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO WHICH EACH IS A PARTY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE COURTS OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURTS. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY OTHER PARTY OR ANY OF ITS PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION.

3.5.3 WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN SECTION 3.5.2. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

3.5.4 SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN S**ECTION 10.02** OF THE CREDIT AGREEMENT. NOTHING IN THIS SECOND AMENDMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

SECTION 3.6 COUNTERPARTS; SEVERABILITY

3.6.1 This Second Amendment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

3.6.2 If any term or provision of this Second Amendment, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Second Amendment, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Second Amendment shall be valid and shall be enforced to the fullest extent permitted by law.

SECTION 3.7 WAIVER OF RIGHT TO JURY TRIAL

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS SECOND AMENDMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

SECTION 3.8 FINAL EXPRESSION

THIS WRITTEN AGREEMENT IS THE FINAL EXPRESSION OF THE SECOND AMENDMENT TO THE CREDIT AGREEMENT AMONG THE PARTIES HERETO AS THE SAME EXISTS TODAY AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR OR CONTEMPORANEOUS ORAL AGREEMENT BETWEEN THE PARTIES HERETO.

BY SIGNING BELOW, THE PARTIES HERETO HEREBY AFFIRM THAT THERE IS NO UNWRITTEN ORAL CREDIT AGREEMENT BETWEEN THEMSELVES WITH RESPECT TO THE SUBJECT MATTER OF THIS SECOND AMENDMENT OR OF THE CREDIT AND SECURITY AGREEMENT GENERALLY.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed as of the date first written above.

Borrower:

Titan Machinery Inc.,
A DELAWARE CORPORATION

BY: /S/ TED O. CHRISTIANSON
NAME: TED O. CHRISTIANSON
TITLE: VICE PRESIDENT OF FINANCE

ADMINISTRATIVE AGENT, L/C ISSUER AND SWING LINE LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association, as Administrative Agent, L/C Issuer and Swing Line Lender

By: /s/ Mark T. Lundquist
Name: Mark T. Lundquist
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association, as a Lender

By: /s/ Mark T. Lundquist
Name: Mark T. Lundquist
Title: Vice President

WORKING CAPITAL COMMITMENT:	$	27,000,000.00
FLOORPLAN COMMITMENT:	$	71,444,444.44

LENDER:

COBANK, ACB

By: /s/ Jeff Doorenbos
Name: Jeff Doorenbos
Title: Vice President

WORKING CAPITAL COMMITMENT:	$	13,666,666.67
FLOORPLAN COMMITMENT:	$	35,888,888.89

LENDER:

BANK OF AMERICA, N.A.

By: /s/ Don Stafford
Name: Don Stafford
Title: SVP

WORKING CAPITAL COMMITMENT:	$	13,666,666.67
FLOORPLAN COMMITMENT:	$	35,888,888.89

LENDER:

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Magnus McDowell
Name: Magnus McDowell
Title: Vice President

WORKING CAPITAL COMMITMENT:	$	10,333,333.33
FLOORPLAN COMMITMENT:	$	27,000,000.00

LENDER:

BANK OF THE WEST
a California banking corporation

By: /s/ Ryan J. Mauser
Name: Ryan J. Mauser
Title: VP

WORKING CAPITAL COMMITMENT:	$	7,000,000.00
FLOORPLAN COMMITMENT:	$	18,111,111.11

LENDER:

BREMER BANK, N.A.

By: /s/ Wesley Well
Name: Wesley Well
Title: President

WORKING CAPITAL COMMITMENT:	$	3,333,333.33
FLOORPLAN COMMITMENT:	$	11,666,666.67

EXHIBIT 31.1

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, David J. Meyer, certify that:

1. I have reviewed this report on Form 10-Q of Titan Machinery Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 9, 2011

/s/ David J. Meyer
David J. Meyer
Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Mark P. Kalvoda, certify that:

1. I have reviewed this report on Form 10-Q of Titan Machinery Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 9, 2011

/s/ Mark P. Kalvoda
Mark P. Kalvoda
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Titan Machinery Inc. (the "Company") on Form 10-Q for the quarter ended October 31, 2011 as filed with the Securities and Exchange Commission (the "Report"), I, David J. Meyer, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 9, 2011

/s/ David J. Meyer
David J. Meyer
Chairman and Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Titan Machinery Inc. (the "Company") on Form 10-Q for the quarter ended October 31, 2011 as filed with the Securities and Exchange Commission (the "Report"), I, Mark P. Kalvoda, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 9, 2011

/s/ Mark P. Kalvoda
Mark P. Kalvoda
Chief Financial Officer