OSHKOSH CORP

FORM 8-K
(Current report filing)

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Telephone	920 235 9151
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Symbol	OSK
SIC Code	3711 - Motor Vehicles and Passenger Car Bodies
Industry	Auto & Truck Manufacturers
Sector	Consumer Cyclical
Fiscal Year	09/30

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report
(Date of earliest
event reported): May 1, 2008

Oshkosh Corporation

(Exact name of registrant as specified in its charter)

Wisconsin	1-31371	39-0520270
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

P.O. Box 2566, Oshkosh, Wisconsin 54903

(Address of principal executive offices, including zip code)

(920) 235-9151

(Registrant's telephone number)

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

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

Item 2.02 . Results of Operations and Financial Condition .

On May 1, 2008, Oshkosh Corporation (the "Company") issued a press release (the "Press Release") announcing its earnings for the second quarter ended March 31, 2008 and its revised outlook for fiscal 2008. A copy of such press release is furnished as Exhibit 99.1 and is incorporated by reference herein.

On May 1, 2008, the Company held a conference call in connection with the Company's announcement of its earnings for the second quarter ended March 31, 2008 and its revised outlook for fiscal 2008. A copy of the script (the "Script") for such conference call is furnished as Exhibit 99.2 and is incorporated by reference herein. An audio replay of such conference call and the related question and answer session will be available for at least twelve months on the Company's website at www.oshkoshcorporation.com .

The information, including, without limitation, all forward-looking statements, contained in the Press Release, the Script and related slide presentation on the Company's website (the "Slide Presentation") or provided in the conference call and related question and answer session speaks only as of May 1, 2008. The Company has adopted a policy that if the Company makes a determination that it expects the Company's earnings per share for future periods for which projections are contained in the Press Release, the Script and the Slide Presentation or provided in the conference call and related question and answer session to be lower than those projections, then the Company will publicly disseminate that fact. The Company's policy also provides that if the Company makes a determination that it expects the Company's earnings per share for future periods to be at or above the projections contained in the Press Release, the Script and the Slide Presentation or provided in the

conference call and related question and answer session, then the Company does not intend to publicly disseminate that fact. Except as set forth above, the Company assumes no obligation, and disclaims any obligation, to update information contained in the Press Release, the Script and the Slide Presentation or provided in the conference call and related question and answer session. Investors should be aware that the Company may not update such information until the Company's next quarterly earnings conference call, if at all.

The Press Release, the Script and the Slide Presentation contain, and representatives of the Company made, during the conference call and the related question and answer session, statements that the Company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in the Press Release, the Script and the Slide Presentation or made during the conference call and related question and answer session, including, without limitation, statements regarding the Company's future financial position, business strategy, targets, projected sales, costs, earnings, capital expenditures, debt levels and cash flows, and plans and objectives of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "project" or "plan," or the negative thereof or variations thereon or similar terminology. The Company cannot provide any assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from the Company's expectations include, without limitation, those set forth under the captions "Accuracy of Assumptions" and "Risk Factors" below. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's filings with the Securities and Exchange Commission.

In this Current Report on Form 8-K, "we," "us" or "our" refers to Oshkosh Corporation.

ACCURACY OF ASSUMPTIONS

The expectations reflected in the forward-looking statements, in particular those with respect to projected sales, costs, earnings, capital expenditures, debt levels and cash flows, are based in part on certain assumptions we make, some of which are referred to in, or as part of, the forward-looking statements. These assumptions include, without limitation, our ability to turn around the Geesink Norba Group, our European refuse collection vehicle business, sufficiently to support its current valuation resulting in no impairment charges; our estimates for the level of concrete placement activity, housing starts, non-residential construction spending and mortgage rates; the performance of the U.S. economy, which many believe is already in a recession, and European economies, which could move into recession; our spending on product development and bid and proposal activities with respect to defense truck procurement competitions and the outcome of such competitions; our expectations as to timing of receipt of sales orders and payments and execution and funding of defense contracts; our ability to achieve cost reductions and operating efficiencies, in particular at JLG, McNeilus, the Geesink Norba Group and Medtec; our ability to offset rising steel costs through cost decreases or product selling price increases; our estimates of the impact of changing fuel prices and credit availability on capital spending of towing operators; our estimates of the impact of changing legislation on capital spending of mobile medical providers; the availability of defense truck carcasses for remanufacturing; the anticipated level of production and margins associated with the Family of Heavy Tactical Vehicles contract, the Indefinite Demand/Indefinite Quantity truck remanufacturing contract, the Logistics Vehicle System Replacement contract and international defense truck contracts; our ability to produce defense trucks at increased levels in fiscal 2008; our estimates for capital expenditures of rental and construction companies for JLG's products, of municipalities for fire & emergency and refuse collection vehicles, of airports for aircraft rescue and snow removal products and of large commercial waste haulers generally and with us; federal funding levels for U.S. Department of Homeland Security and spending by governmental entities on homeland security apparatus; the expected level of commercial "package" body and purchased chassis sales compared to "body only" sales; anticipated levels of capital expenditures by us; our estimates for costs relating to litigation, product warranty, product liability, insurance, stock options, performance share awards, bad debts and other raw materials; our estimates for debt levels, interest rates, foreign exchange rates, working capital needs and effective tax rates; and that we do not complete any acquisitions in the short term. We cannot provide any assurance that the assumptions referred to in the forward-looking statements or otherwise are accurate or will prove to have been correct. Any assumptions that are inaccurate or do not prove to be correct could have a material adverse effect on our ability to achieve the results that the forward-looking statements contemplate.

RISK FACTORS

Our markets are highly cyclical and a decline in these markets could have a material adverse effect on our operating performance.

A decline in overall customer demand in our cyclical access equipment, commercial and fire & emergency markets could have a material adverse effect on our operating performance. The access equipment market that JLG operates in is highly cyclical and impacted by the strength of the economy generally, by prevailing mortgage and other interest rates, by residential and non-residential construction spending and by other factors. The ready-mix concrete market that we serve is highly cyclical and impacted by the strength of the economy generally, by prevailing mortgage and other interest rates, by the number of housing starts and by other factors that may have an effect on the level of concrete placement activity, either regionally or nationally. Domestic and European refuse collection vehicle markets are modestly cyclical and impacted by the strength of the economy generally and municipal tax receipts. Fire & emergency markets are modestly cyclical and are impacted by the economy generally and municipal tax receipts. Concrete mixer and access equipment sales also are seasonal with the majority of such sales occurring in the spring and summer months, which constitute the traditional construction season.

The U.S. economy is experiencing a downturn. Many believe that the U.S. economy has entered a recession, which has negatively impacted our sales volumes in the U.S. for concrete mixers, telehandlers and certain other products. U.S. housing starts were also weak in fiscal 2007 and the first six months of fiscal 2008 further contributing to the lower sales volumes. We do not expect housing starts to improve until sometime in calendar 2009. U.S. non-residential construction spending has also begun to weaken in certain geographical areas, which may cause weakness for other products of ours, including aerial work platforms. In addition, customers of ours, such as municipalities, have been reducing their expenditures for fire & emergency equipment in anticipation of lower tax revenues. The towing and recovery equipment market is also being negatively impacted by higher fuel costs and the U.S. economy. We cannot provide any assurance that this downturn will not continue or become more severe. If the U.S. economic downturn continues or becomes more severe, there could be a material adverse effect on our net sales, financial condition, profitability and/or cash flows.

Furthermore, our commercial and fire & emergency businesses saw an increase in sales in fiscal 2006 and the first half of fiscal 2007 as customers pre-purchased truck chassis in anticipation of changes in diesel engine emissions standards effective January 1, 2007. As a result of this, we experienced weak demand in our fire & emergency and commercial markets in the first six months of fiscal 2008 and we expect this to continue throughout fiscal 2008 in our commercial markets and to a lesser extent in our fire & emergency markets.

Additionally, the high levels of sales in our defense business in recent years have been due in significant part to demand for defense trucks, replacement parts and services and truck remanufacturing arising from the conflict in Iraq. Events such as this are unplanned, and we cannot predict how long this conflict will last or the demand for our products that will arise out of such an event. Accordingly, we cannot provide any assurance that the increased defense business as a result of this conflict will continue.

Our high leverage and debt service obligations could increase our vulnerability to general adverse economic and industry conditions and limit our ability to obtain future financing.

As a result of financing the JLG acquisition, we are highly leveraged. We had approximately $3.1 billion of debt outstanding as of March 31, 2008. Our ability to make required payments of principal and interest on our debt will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive and other factors that are beyond our control. Based upon our current level of operations, we believe that cash flow from operations, available cash and available borrowings under our credit facilities will be adequate to meet our future liquidity needs. However, we cannot provide any assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available under our credit facilities in an amount sufficient to enable us to service our indebtedness or to fund our other liquidity needs. In addition, our credit facilities contain financial and restrictive covenants that may limit our ability to, among other things, borrow additional funds or take advantage of business opportunities. Our failure to comply with such covenants could result in an event of default that, if not cured or waived, could have a material adverse effect on our financial condition, results of operations and debt service capability.

Our high level of debt, current conditions in the credit markets and the covenants contained in our credit facilities could have important consequences for our operations, including:

- Increase our vulnerability to general adverse economic and industry conditions and detract from our ability to withstand successfully a downturn in our highly cyclical markets or the economy generally;
- Require us to dedicate a substantial portion of our cash flow from operations to required payments on debt, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, research and development and other general corporate activities;
- Limit our ability to obtain additional financing in the future to fund working capital, capital expenditures and other general corporate requirements;
- Limit our flexibility in planning for, or reacting to, changes in our business and the markets we serve;
- Place us at a competitive disadvantage compared to less leveraged competitors; and
- Make us vulnerable to increases in interest rates because a portion of our debt under our credit facilities may be at variable rates.

Our dependency on contracts with U.S. and foreign government agencies subjects us to a variety of risks that could materially reduce our revenues or profits.

We are dependent on U.S. and foreign government contracts for a substantial portion of our business. That business is subject to the following risks, among others, that could have a material adverse effect on our operating performance:

- Our business is susceptible to changes in the U.S. defense budget, which may reduce revenues that we expect from our defense business.
- The U.S. government may not appropriate funding that we expect for our U.S. government contracts, which may prevent us from realizing revenues under current contracts or receiving additional orders that we anticipate we will receive.
- Most of our government contracts are fixed-price contracts, and our actual costs may exceed our projected costs, which could result in lower profits or net losses under these contracts.
- We are required to spend significant sums on product development and testing, bid and proposal activities and pre-contract engineering, tooling and design activities in competitions to have the opportunity to be awarded these contracts.
- Competitions for the award of defense truck contracts are intense, and we cannot provide any assurance that we will be successful in the defense truck procurement competitions in which we participate, especially competitions for armored vehicles such as the DoD's Joint Light Tactical Vehicle program, as this involves a new product line for us.

- Certain of our government contracts could be suspended or terminated and all such contracts expire in the future and may not be replaced, which could reduce expected revenues from these contracts.
- Our defense products undergo rigorous testing by the customer and are subject to highly technical requirements. Any failure to pass these tests or to comply with these requirements could result in unanticipated retrofit costs, delayed acceptance of trucks or late or no payments under such contracts.
- Our government contracts are subject to audit, which could result in adjustments of our costs and prices under these contracts.
- Our defense truck contracts are often large in size and require significant personnel and production resources, and when such contracts end, we must make adjustments to personnel and production resources.
- We periodically experience difficulties with sourcing sufficient vehicle carcasses to maintain our defense truck remanufacturing schedule, which can create uncertainty for this area of our business.

If we are unable to successfully turn around the profitability of our Geesink Norba Group, then we may be required to record a non-cash impairment charge for Geesink Norba Group goodwill.

The Geesink Norba Group, our European refuse collection vehicle business, operated at a loss in fiscal 2007 due to soft market demand for its products in the United Kingdom, the lack of available chassis for mounting refuse collection vehicles in France and some market share losses. We have taken steps to turn around the Geesink Norba Group business, including selling an unprofitable facility in The Netherlands during the first quarter of fiscal 2008, reaching an agreement with the Works Council in Sweden regarding rationalizing a facility in that country, beginning to fabricate parts in its Romanian facility during the second quarter of fiscal 2008 to be used in the manufacture of JLG aerial products in Europe, ramping up production of Norba-branded products at its Emmeloord, Holland facility during the second quarter of fiscal 2008, reducing its work force, installing new executive leadership, integrating operations with JLG, implementing lean manufacturing practices, introducing new products and outsourcing components to lower cost manufacturing sites. We incurred an operating loss at this business again in the first six months of fiscal 2008 as we executed on a number of the turnaround initiatives described above. We expect to incur additional operating losses in fiscal 2008 as we continue these turnaround activities, including costs associated with inefficiencies related to the relocation of production of Norba-branded refuse collection vehicles to The Netherlands. We may incur costs to continue to implement the turnaround beyond our current expectations for such costs. In addition, we cannot provide any assurance that the Geesink Norba Group will be able to operate profitably after such activities have been completed. Further, if we are unable to continue to turn around the business of the Geesink Norba Group, then we may be required to record a non-cash impairment charge for Geesink Norba Group goodwill, and there could be other material adverse effects on our net sales, financial condition, profitability and/or cash flows.

We are expanding international operations, the conduct of which subjects us to risks that may have a material adverse effect on our business.

For the first six months of fiscal 2008, approximately 31% of our net sales were attributable to products sold outside of the United States. Expanding international sales is a part of our growth strategy. International operations and sales are subject to various risks, including political, religious and economic instability, local labor market conditions, the imposition of foreign tariffs and other trade barriers, the impact of foreign government regulations and the effects of income and withholding taxes, governmental expropriation and differences in business practices. We may incur increased costs and experience delays or disruptions in product deliveries and payments in connection with international manufacturing and sales that could cause loss of revenues and earnings. In addition, we are increasingly subject to export control regulations,

including, without limitation, the United States Export Administration Regulations and the International Traffic in Arms Regulations. Unfavorable changes in the political, regulatory and business climate could have a material adverse effect on our net sales, financial condition, profitability and/or cash flows.

We are subject to fluctuations in exchange rates and other risks associated with our non-U.S. operations that could adversely affect our results of operations and may significantly affect the comparability of our results between financial periods.

The results of operations and financial condition of our subsidiaries that conduct operations in foreign countries are reported in the relevant foreign currencies and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements, which are stated in U.S. dollars. In addition, we have significant firm sales orders in backlog that are denominated in Euros, U.K. pounds sterling, the Australian dollar and other currencies, certain agreements with subcontractors denominated in these currencies and sales of inventory denominated in U.S. dollars to certain of our subsidiaries that have functional currencies other than the U.S. dollar, all of which will subject us to foreign currency transaction risk to the extent they are not hedged. We actively strive to hedge these foreign currency transaction risks but cannot provide assurance that we will be successful in doing so. The exchange rates between many of these currencies and the U.S. dollar have fluctuated significantly in recent years and may fluctuate significantly in the future. Such fluctuations, in particular those with respect to the Euro, the U.K. pound sterling and the Australian dollar, may have a material effect on our net sales, financial condition, profitability and/or cash flows and may significantly affect the comparability of our results between financial periods.

We may experience losses in our access equipment segment in excess of our recorded reserves for doubtful accounts, finance and pledged finance receivables, notes receivable and guarantees of indebtedness of others.

We have a portfolio of finance receivables with customers in our access equipment segment and we are a party to agreements whereby we guarantee the indebtedness of customers in our access equipment segment. We evaluate the collectibility of open accounts, finance and pledged finance receivables, notes receivable and our guarantees of indebtedness of others based on a combination of factors and establish reserves based on our estimates of potential losses. In circumstances where we believe it is probable that a specific customer will have difficulty meeting its financial obligations, a specific reserve is recorded to reduce the net recognized receivable to the amount we expect to collect, and/or we recognize a liability for a guarantee we expect to pay, taking into account any amounts that we would anticipate realizing if we are forced to take action against the equipment that supports the customer's financial obligations to us. We also establish additional reserves based upon our perception of the quality of the current receivables, the current financial position of our customers and past collections experience. The historical loss experience of our finance receivables portfolio is limited, however, and therefore may not be indicative of future losses. We also face a concentration of credit risk. For the fiscal year ended September 30, 2007, approximately 45% of JLG's sales were to its top ten customers. Furthermore, some of these customers are highly leveraged. We may incur losses in excess of our recorded reserves if the financial condition of our customers were to deteriorate or the full amount of any anticipated proceeds from the sale of the collateral supporting our customers' financial obligations is not realized.

Steel price fluctuations may adversely affect our results.

We purchase, directly and indirectly through component purchases, hundreds of thousands of tons of steel annually. Recently, steel prices have begun to increase significantly. Indications suggest that the cost of steel and component parts containing steel may continue to increase sharply. Although we have firm, fixed-price contracts for some steel requirements and have firm pricing contracts for the majority of components, we may not be able to hold all of our steel and component suppliers to pre-negotiated prices. The ultimate duration and severity of the steel pricing issue for major steel consumers like us is not presently estimable. Without limitation, these conditions could impact us in the following ways:

- In the access equipment, fire & emergency and commercial businesses, we have either announced selling price increases or are contemplating price increases in the future to recover increased steel and component costs. However, any such new product prices apply only to new orders, and we do not anticipate being able to recover all cost increases from customers in fiscal 2008 due to the amount of orders in our backlog prior to the effective dates of new selling prices. In addition, some customers could react adversely to these price increases, and competitive conditions could limit price increases in some market sectors. Alternatively, adherence to the price increases could affect sales volumes in some market sectors. Furthermore, steel and component costs may rise faster than expected, and our product price increases may not be sufficient to recover such increases.

- In the defense business, we are generally limited in our ability to raise prices in response to rising steel and component costs as we largely do business under annual firm, fixed-price contracts. We attempt to limit this risk by obtaining firm pricing from suppliers at the time a contract is awarded. However, if these suppliers, including steel suppliers, do not honor their contracts, then we could face margin pressure in our defense business.

A disruption or termination of the supply of parts, materials, components and final assemblies from third-party suppliers could delay sales of our vehicles and vehicle bodies.

We have experienced, and may in the future experience, significant disruption or termination of the supply of some of our parts, materials, components and final assemblies that we obtain from sole source suppliers or subcontractors or incur a significant increase in the cost of these parts, materials, components or final assemblies. Such disruptions, terminations or cost increases could delay sales of our vehicles and vehicle bodies and could result in a material adverse effect on our net sales, financial condition, profitability and/or cash flows.

Changes in regulations could adversely affect our business.

Both our products and the operation of our manufacturing facilities are subject to statutory and regulatory requirements. These include environmental requirements applicable to manufacturing and vehicle emissions, government contracting regulations and domestic and international trade regulations. A significant change to these regulatory requirements could substantially increase manufacturing costs or impact the size or timing of demand for our products, all of which could make our business results more variable.

Competition in our industries is intense and we may not be able to continue to compete successfully.

We operate in highly competitive industries. Several of our competitors have greater financial, marketing, manufacturing and distribution resources than us and we are facing competitive pricing from new entrants in certain markets. Our products may not continue to compete successfully with the products of competitors, and we may not be able to retain or increase our customer base or to improve or maintain our profit margins on sales to our customers, all of which could adversely affect our net sales, financial condition, profitability and/or cash flows.

Item 9.01 . Financial Statements and Exhibits .

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibits . The following exhibits are being furnished herewith:

(99.1) Oshkosh Corporation Press Release dated May 1, 2008.

(99.2) Script for conference call held May 1, 2008.

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 hereunto duly authorized.

OSHKOSH CORPORATION

Date: May 1, 2008

By: /s/ David M. Sagehorn
David M. Sagehorn
Executive Vice President and

Chief Financial Officer

OSHKOSH CORPORATION

Exhibit Index to Current Report on Form 8-K
Dated May 1, 2008

Exhibit Number	
(99.1)	Oshkosh Corporation Press Release dated May 1, 2008.
(99.2)	Script for conference call held May 1, 2008.

OSHKOSH TRUCK CORPORATION

FOR IMMEDIATE RELEASE

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OSHKOSH CORPORATION REPORTS RECORD SECOND QUARTER EPS UP 42.6 PERCENT TO $0.97

Reaffirms Fiscal 2008 EPS Estimate Range of $4.15 — $4.35

Announces Third Quarter EPS Estimate Range of $1.40 — $1.50

OSHKOSH, WI (May 1, 2008) – Oshkosh Corporation [NYSE: OSK], a leading manufacturer of specialty vehicles and vehicle bodies, today reported that, for its second quarter of fiscal 2008, earnings per share (EPS) was $0.97, on sales of $1.8 billion and net income of $72.6 million. These results compare with EPS of $0.68 on sales of $1.7 billion and net income of $50.9 million for the comparable prior year quarter. Oshkosh's EPS exceeded the Company's most recent earnings estimate range for the second quarter of $0.85 — $0.90.

"We are pleased to be reporting sales and EPS records for an Oshkosh Corporation second fiscal quarter. While we faced some significant challenges in several of our markets, their effects were overcome by sharply higher sales in global markets for our JLG access equipment business as well as an on-going need for defense vehicles built by Oshkosh," commented Robert G. Bohn, Oshkosh Corporation chairman and chief executive officer.

"Strong penetration in markets outside North America with our access equipment customers bolsters our perspective as we move forward. Furthermore, our defense segment has benefited from substantial requirements for our heavy tactical vehicles. We expect this demand to continue solidly for the foreseeable future as there is an on-going need for these logistics workhorses.

"The outlook for both our access equipment and defense segments gives us confidence in maintaining our full year EPS estimate range of $4.15 to $4.35 for fiscal 2008," added Bohn.

"The results in our commercial segment in the second quarter were below our expectations due largely to weak U.S. residential construction, the effects of a pre-buy of equipment prior to the 2007 diesel engine emissions standards changes and inefficiencies related to the consolidation of facilities at our European refuse collection vehicle business. We expect market conditions in the U.S. to remain weak during the fiscal year and we do not expect results for this segment to improve significantly until either residential construction strengthens or until pre-buy activity begins ahead of the 2010 diesel engine emissions standards changes next fiscal year.

"While these conditions and recent raw material cost pressures created significant challenges, we are confident in our business model. Our products are leaders in their markets, and they provide us with competitive advantages that are invaluable in tough times. We are investing in product and process improvements that we expect will strengthen our value proposition with customers. We are also continuing our commitment to cost reductions and expanding globally. These actions form the foundation of our optimism at Oshkosh and are intended to keep growing our company now and in the future," stated Bohn.

Sales in the second quarter of fiscal 2008 increased $111.9 million, or 6.7 percent, compared to last year's second quarter. The increase was primarily attributable to higher sales in the defense segment and strong international access equipment sales, offset in part by lower sales in the commercial and fire & emergency segments due to the weak U.S. economy, including sharply lower residential construction.

Second quarter operating income increased 24.8 percent to $168.2 million, or 9.5 percent of sales. The increase in operating income was primarily related to strong performance in the access equipment segment and, to a lesser extent, the defense segment. This increase was offset in part by lower operating income in the commercial and fire & emergency segments as a result of lower sales, and increased corporate expenses largely due to higher personnel costs and information technology spending to support the Company's growth objectives and increased stock-based compensation expense.

Factors affecting second quarter results for the Company's business segments included:

Access Equipment – Access equipment segment sales increased 14.9 percent to $813.1 million for the second quarter due to substantially higher shipments internationally and favorable foreign exchange rates, offset in part by lower sales in North America. Sales outside of North America nearly doubled over the comparable prior year quarter while sales in North America declined nearly 20% as a result of the weak U.S. economy, including lower sales to large rental customers, due in part to smaller, but more frequent orders spread out over the year.

Operating income in the second quarter increased 132.5 percent to $123.6 million, or 15.2 percent of sales, compared to the prior year quarter operating income of $53.2 million, or 7.5 percent of sales. Operating income in the second quarter benefited from higher sales, favorable product and customer mix and favorable foreign exchange rates. Also, prior year second quarter results included a charge of $8.5 million related to expensing the revaluation of inventory at the acquisition date of JLG Industries, Inc. (JLG).

Defense – Defense segment sales increased 47.3 percent to $450.8 million for the quarter compared to the prior year second quarter due to an increase in sales of heavy-payload tactical vehicles and higher parts & service sales. Parts & service sales rebounded in the second quarter due to higher armor kit shipments.

Operating income in the second quarter increased 13.0 percent to $59.7 million, or 13.2 percent of sales, compared to the prior year second quarter operating income of $52.8 million, or 17.3 percent of sales. The decrease in operating income as a percent of sales compared to the prior year quarter reflected a higher mix of lower-margin truck sales, lower margins on truck contract renewals, inefficiencies on a service contract and higher bid and proposal costs.

Fire & Emergency – Fire & emergency segment sales decreased 7.4 percent to $272.3 million for the quarter compared to the prior year quarter. The decrease in sales reflected weaker demand for towing and recovery equipment as well as mobile medical trailers and broadcast vehicles and a shift in the timing of international fire apparatus sales into the second half of fiscal 2008. The towing and recovery equipment vehicle market has been negatively impacted by lower demand as a result of rising fuel prices and uncertainty in the U.S. economy. A reduction in medical procedure reimbursement rates has had a negative effect on sales of mobile medical trailers.

Operating income was down 25.6 percent in the second quarter to $20.6 million, or 7.6 percent of sales, compared to the prior year quarter operating income of $27.6 million, or 9.4 percent of sales. The decrease in operating income during the second quarter was due mainly to lower sales.

Commercial – Commercial segment sales decreased 30.7 percent to $250.9 million in the second quarter compared to the prior year quarter. The segment had an operating loss of $5.5 million, or (2.2) percent of sales, compared to operating income of $22.1 million, or 6.1 percent of sales, in the prior year quarter. The commercial segment concrete placement business has experienced significantly lower demand for vehicles and vehicle bodies in North America as a result of lower residential construction activity in the U.S. combined with the aftereffects of the 2007 diesel engine emissions standards changes. The Company's European refuse collection vehicle operations sustained an operating loss of $8.6 million in the second quarter of fiscal 2008, as compared to a loss of $6.2 million in the prior year quarter. The increase in the loss as compared to the prior year quarter related primarily to charges associated with a previously announced facility rationalization plan and associated inefficiencies with the start-up of production of Norba-branded products in The Netherlands, along with an unfavorable foreign exchange rate that resulted in a larger loss when translated into U.S. dollars.

Corporate and other – Operating expenses and inter-segment profit elimination increased $9.3 million to $30.2 million for the second quarter compared to the prior year quarter. The increase was largely due to higher personnel costs and information technology spending to support the Company's growth objectives and increased stock-based compensation expense.

Interest expense net of interest income decreased $7.5 million to $53.5 million compared to the prior year quarter, largely as a result of lower interest rates and the repayment of borrowings incurred in connection with the JLG acquisition. Total debt remained at $3.1 billion at the end of the second quarter, consistent with debt levels at December 31, 2007.

The provision for income taxes in the second quarter increased to 36.7 percent of pre-tax income compared to 36.0 percent of pre-tax income in the prior year second quarter. The higher effective tax rate reflects increased provisions for discrete items in the quarter.

Six-month Results

The Company reported that EPS increased 19.5 percent to $1.47 for the first six months of fiscal 2008 on sales of $3.3 billion and net income of $109.9 million, compared to $1.23 for the first six months of fiscal 2007 on sales of $2.7 billion and net income of $92.1 million. JLG was included in the Company's operations for the entire six months of fiscal 2008 compared to only four months in the prior year following the December 2006 acquisition of JLG. Strong international sales at JLG and increased defense segment sales also contributed to current year sales increases compared to the prior year, while the commercial segment experienced a significant decline in sales due to lower demand for vehicles and vehicle bodies in North America generally as a result of lower residential construction activity in the U.S. combined with the aftereffects of the 2007 diesel engine emissions standards changes.

Operating income increased 27.4 percent to $278.1 million, or 8.5 percent of sales, in the first six months of fiscal 2008 compared to $218.4 million, or 8.2 percent of sales, in the first six months of fiscal 2007. Increased operating income compared to the prior year was driven primarily by the inclusion of JLG results for a full six months in fiscal 2008 and increased defense segments sales, offset in part by lower earnings in the commercial and fire & emergency segments due to the weak U.S. economy and higher corporate costs largely due to higher personnel costs and information technology spending to support the Company's growth objectives and increased stock-based compensation expense.

Fiscal 2008 Estimates

The Company reaffirmed its fiscal 2008 EPS estimate range of $4.15 to $4.35 compared to EPS of $3.58 in fiscal 2007. The Company expects its third quarter EPS to be in the range of $1.40 to $1.50. These estimates reflect the Company's performance in the first half of the year, anticipated continued strong performance in the access equipment and defense segments and an improvement in the effective income tax rate, offset by weaker economic conditions negatively impacting the commercial segment and, to a lesser extent, the fire & emergency segment. These estimates do not include any potential additional development costs in the event of a Joint Light Tactical Vehicle Technology Development contract award to the Company and its teaming partner in either the third or fourth quarters of fiscal 2008.

Dividend Announcement

Oshkosh Corporation's Board of Directors declared a quarterly dividend of $0.10 per share of Common Stock. The dividend, unchanged from the immediately preceding quarter, will be payable May 23, 2008, to shareholders of record as of May 15, 2008.

The Company will comment on second quarter earnings and expectations for the remainder of fiscal 2008 during a conference call at 9:00 a.m. EDT this morning. Viewer-controlled slides for the call will be available on the Company's website beginning at 8:00 a.m. EDT this morning. The call will be webcast simultaneously over the Internet. To access the webcast, investors should go to www.oshkoshcorporation.com at least 15 minutes prior to the event and follow the instructions for listening to the broadcast. An audio replay of the call and related question and answer session will be available for twelve months at this website.

Oshkosh Corporation is a leading designer, manufacturer and marketer of a broad range of specialty access equipment, military, commercial and fire & emergency vehicles and vehicle bodies. Oshkosh's products are valued worldwide by rental and construction companies, defense forces, fire & emergency units, municipal and airport support services, and concrete placement and refuse businesses where high quality, superior performance, rugged reliability and long-term value are paramount.

Forward-Looking Statements

This press release contains statements that the Company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including without limitation, statements regarding the Company's future financial position, business strategy, targets, projected sales, costs, earnings, capital expenditures, debt levels and cash flows, and plans and objectives of management for future operations, are forward-looking statements. When used in this press release, words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "project" or "plan" or the negative thereof or variations thereon or similar terminology are generally intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond the Company's control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

These factors include the Company's ability to turn around its Geesink Norba Group business sufficiently to support its current valuation resulting in no impairment charge; the consequences of financial leverage associated with the JLG acquisition; the cyclical nature of the Company's access equipment, commercial and fire & emergency markets, especially during a recession, which many believe the U.S. has already entered; the expected level and timing of U.S. Department of Defense procurement of products and services and funding thereof; risks related to reductions in government expenditures and the uncertainty of government contracts; risks associated with international operations and sales, including foreign currency fluctuations; risks related to the collectibility of access equipment receivables; the Company's ability to offset rising steel costs through cost decreases or product selling price increases; and the potential for increased costs relating to compliance with changes in laws and regulations. In addition, the Company's expectations for fiscal 2008 are based in part on certain assumptions made by the Company, including without limitation, the Company's ability to turn around the Geesink Norba Group business sufficiently to support its current valuation resulting in no impairment charges; the Company's estimates for the level of concrete placement activity, housing starts, non-residential construction spending and mortgage rates; the performance of the U.S. economy, which many believe is already in a recession, and European economies, which could move into recession; the Company's spending on product development and bid and proposal activities with respect to defense truck procurement competitions and the outcome of such competitions; the Company's expectations as to timing of receipt of sales orders and payments and execution and funding of defense contracts; the Company's ability to achieve cost reductions and operating efficiencies, in particular at JLG, McNeilus, the Geesink Norba Group and Medtec; the Company's ability to offset rising steel costs through cost decreases or product selling price increases; the Company's estimates of the impact of changing fuel prices and credit availability on capital spending of towing operators; the Company's estimates of the impact of changing legislation on capital spending of mobile medical providers; the availability of defense truck carcasses for remanufacturing; the anticipated level of production and margins associated with the Family of Heavy Tactical Vehicles contract, the Indefinite Demand/Indefinite Quantity truck remanufacturing contract, the Logistics Vehicle System Replacement contract and international defense truck contracts; the Company's ability to produce defense trucks at increased levels in fiscal 2008; the Company's estimates for capital expenditures of rental and construction companies for JLG's products, of municipalities for fire & emergency and refuse collection vehicles, of airports for aircraft rescue and snow removal products and of large commercial waste haulers generally and with the Company; federal funding levels for U.S. Department of Homeland Security and spending by governmental entities on homeland security apparatus; the expected level of commercial "package" body and purchased chassis sales compared to "body only" sales; anticipated levels of capital expenditures by the Company; the Company's estimates for costs relating to litigation, product warranty, product liability, insurance, stock options, performance share awards, bad debts, personnel and other raw materials; the Company's estimates for debt levels, interest rates, foreign exchange rates, working capital needs and effective tax rates; and that the Company does not complete any acquisitions in the short term. Additional information concerning these and other factors is contained in the Company's filings with the Securities and Exchange Commission, including the Form 8-K filed today.

OSHKOSH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2008	2007	2008	2007
	(In millions, except per share amounts)			
Net sales	$ 1,772.6	$ 1,660.7	$ 3,272.5	$ 2,667.5
Cost of sales	1,449.5	1,386.4	2,697.4	2,220.5
Gross income	323.1	274.3	575.1	447.0
Operating expenses:				
Selling, general and administrative	138.2	120.8	261.6	202.8
Amortization of purchased intangibles	16.7	18.7	35.4	25.8
Total operating expenses	154.9	139.5	297.0	228.6
Operating income	168.2	134.8	278.1	218.4
Other income (expense):				
Interest expense	(55.0)	(63.1)	(111.3)	(83.9)
Interest income	1.5	2.1	3.3	2.8
Miscellaneous, net	(3.5)	0.8	(5.6)	0.5
	(57.0)	(60.2)	(113.6)	(80.6)
Income before provision for income taxes,				

equity in earnings of unconsolidated affiliates and minority interest	111.2	74.6	164.5	137.8
Provision for income taxes	40.8	26.8	58.9	49.6
Income before equity in earnings of unconsolidated affiliates and minority interest	70.4	47.8	105.6	88.2
Equity in earnings of unconsolidated affiliates, net of income taxes	1.9	2.9	3.7	3.9
Minority interest, net of income taxes	0.3	0.2	0.6	--
Net income	$ 72.6	$ 50.9	$ 109.9	$ 92.1
Earnings per share				
Basic	$ 0.98	$ 0.69	$ 1.49	$ 1.25
Diluted	$ 0.97	$ 0.68	$ 1.47	$ 1.23
Basic weighted average shares outstanding	73.9	73.5	73.9	73.5
Effect of dilutive stock options and incentive compensation awards	1.0	1.3	1.0	1.2
Diluted weighted average shares outstanding	74.9	74.8	74.9	74.7

OSHKOSH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2008	September 30, 2007
	(In millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 52.0	$ 75.2
Receivables, net	1,034.8	1,076.2
Inventories, net	1,168.3	909.5
Deferred income taxes	80.4	77.5
Other current assets	37.8	56.5
Total current assets	2,373.3	2,194.9
Investment in unconsolidated affiliates	39.8	35.1
Property, plant and equipment	706.7	667.3
Less accumulated depreciation	(265.3)	(237.7)
Property, plant and equipment, net	441.4	429.6
Goodwill, net	2,511.6	2,435.4
Purchased intangible assets, net	1,130.7	1,162.1
Other long-term assets	161.2	142.7
Total assets	$ 6,658.0	$ 6,399.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Revolving credit facility and current maturities of long-term debt	$ 117.6	$ 81.5
Accounts payable	689.8	628.1

Customer advances	324.0	338.0
Payroll-related obligations	104.0	105.0
Income taxes payable	8.7	64.0
Accrued warranty	84.0	88.2
Other current liabilities	252.9	243.2
Total current liabilities	1,581.0	1,548.0
Long-term debt, less current maturities	2,937.5	2,975.6
Deferred income taxes	321.2	340.1
Other long-term liabilities	246.5	138.7
Commitments and contingencies		
Minority interest	3.6	3.8
Shareholders' equity	1,568.2	1,393.6
Total liabilities and shareholders' equity	$ 6,658.0	$ 6,399.8

OSHKOSH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended March 31, 2008	Six Months Ended March 31, 2007
	(In millions)	
Operating activities:		
Net income	$ 109.9	$ 92.1
Non-cash and other adjustments	66.2	52.2
Changes in operating assets and liabilities	(149.2)	101.1
Net cash provided by operating activities	26.9	245.4
Investing activities:		
Acquisition of businesses, net of cash acquired	--	(3,140.4)
Additions to property, plant and equipment	(44.7)	(26.2)
Additions to equipment held for rental	(8.5)	(14.6)
Proceeds from sale of property, plant and equipment	2.7	0.5
Proceeds from sale of equipment held for rental	6.4	1.8
Distribution of capital from unconsolidated affiliates	--	1.5
Decrease in other long-term assets	0.1	0.4
Net cash used by investing activities	(44.0)	(3,177.0)
Financing activities:		
Proceeds from issuance of long-term debt	--	3,100.0
Debt issuance costs	--	(34.9)
Repayment of long-term debt	(0.6)	(19.5)
Net repayments under revolving credit facility	(1.3)	(81.8)
Proceeds from exercise of stock options	4.3	4.0
Excess tax benefits from stock-based compensation	2.8	3.4
Dividends paid	(14.8)	(14.8)
Net cash (used) provided by financing activities	(9.6)	2,956.4
Effect of exchange rate changes on cash	3.5	--
(Decrease) increase in cash and cash equivalents	(23.2)	24.8
Cash and cash equivalents at beginning of period	75.2	22.0

Cash and cash equivalents at end of period	**$ 52.0**	**$ 46.8**
Supplementary disclosure:		
Depreciation and amortization	**$ 76.2**	**$ 55.8**

OSHKOSH CORPORATION
SEGMENT INFORMATION
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2008	2007	2008	2007
	(In millions)			
Net sales:				
Access equipment	$ 813.1	$ 707.9	$ 1,423.6	$ 825.6
Defense	450.8	306.0	849.1	617.7
Fire & emergency	272.3	294.2	544.9	560.2
Commercial	250.9	361.9	481.3	680.9
Intersegment eliminations	(14.5)	(9.3)	(26.4)	(16.9)
Consolidated	$ 1,772.6	$ 1,660.7	$ 3,272.5	$ 2,667.5
Operating income (loss):				
Access equipment	$ 123.6	$ 53.2	$ 184.7	$ 55.6
Defense	59.7	52.8	123.6	107.4
Fire & emergency	20.6	27.6	42.8	52.2
Commercial	(5.5)	22.1	(15.7)	42.9
Corporate and other	(30.2)	(20.9)	(57.3)	(39.7)
Consolidated	$ 168.2	$ 134.8	$ 278.1	$ 218.4

	March 31,	
	2008	2007
	(In millions)	
Period-end backlog:		
Access equipment	$ 905.6	$ 1,289.5
Defense	1,508.0	1,726.1
Fire & emergency	624.7	637.0
Commercial	248.1	296.6
Consolidated	$ 3,286.4	$ 3,949.2

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Pat Davidson

Good morning and thanks for joining us. Earlier today we published our second quarter results for fiscal 2008. A copy of the release is available on our website at www.oshkoshcorporation.com . Today's call is being webcast and is accompanied by a slide presentation, also available on our website. The audio replay and slide presentation will be available on the web for approximately 12 months. Please refer now to slide 2 of that slide presentation.

Our remarks that follow, including answers to your questions, include statements that we believe to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. These forward-looking statements are subject to risks that could cause actual results to be materially different. Those risks include, among others, matters that we have described in our Form 8-K filed with the SEC this morning and other filings we make with the SEC. Except as described in the Form 8-K, we disclaim any obligation to update these forward looking statements, which may not be updated until our next quarterly earnings conference call, if at all.

Occasionally today, we will refer to "previous estimates." We made or updated such estimates during our first quarter earnings conference call for fiscal 2008 on February 1, 2008.

Presenting today for Oshkosh Corporation will be Bob Bohn, our Chairman and Chief Executive Officer; Charlie Szews, President and Chief Operating Officer and Dave Sagehorn, Executive Vice President and Chief Financial Officer.

Let's begin by turning to slide 3 and I'll turn it over to Bob.

Bob Bohn

Thank you, Pat. Good morning and thank you all for joining us today. We have another great quarter to report. I will give you a brief review of the highlights and turn it over to Charlie Szews and Dave Sagehorn to discuss the quarter in more detail ahead of your questions.

Oshkosh Q2 2008 Highlights

Today, we are reporting record second quarter results for Oshkosh. Led by strong performance in our access equipment and defense segments, we more than offset weaker results in our commercial and fire & emergency segments.

For the second quarter, we reported

- Net sales of $1.8 billion, up 6.7%,
- Operating income of $168 million, a 24.8% increase, and
- Earnings per share of $0.97, up 42.6% from last year's second quarter EPS of $0.68.

The story for this quarter has really been one of higher year-over-year revenues in both our global access equipment and defense businesses. Together, these two posted a sales increase of $250 million, which allowed us to overcome some economic challenges.

Our impressive second quarter performance was the result of the hard work, drive and dedication of our 14,000-plus employees at Oshkosh Corporation. They do a super job and I want to personally thank them for their efforts. Of course, our customers, dealers, distributors and suppliers all contributed to our success as well and my sincerest gratitude also goes out to them.

There is no doubt about it; we are in the midst of some challenging times including a weak U.S. economy coupled with raw material cost pressures. In response to raw material cost pressures in front of us, we are in the interesting position of increasing or considering price increases in all of our markets during what appears to be a U.S. recession. It is during times like this that our Oshkosh family of companies shines due to the balance in our business portfolio and our drive to grow. We continue to invest globally to improve our distribution in key international growth markets and to reduce our supply chain costs as well as rationalize spending at business units where market conditions are soft. These investments help us now and will help us in the future, when currently soft markets come back, as we know they will. I have absolute faith that we will be successful. It will take a lot of planning, hard work and execution, but we have a superb senior operating team that will continue to pursue smart growth.

This morning, we reaffirmed our earnings per share estimate range of $4.15 to $4.35 for fiscal 2008. That's a projected EPS growth rate of 16% to 22%. Strength in our global access equipment and defense segments, against a backdrop of weakness in domestic residential construction and municipal markets, form the foundation of our confidence.

I know you want to hear more about the quarter, so at this time, I will turn it over to our president, Charlie Szews. Charlie will go into detail on each of our business segments and review some of our operating highlights and challenges, so that you can better understand why we are confident moving forward.

Charlie Szews

Thanks Bob. We do have many challenges, but we also have fundamentally strong operations and strong product offerings that we can leverage as we grow the company in a variety of conditions. Please turn with me to slide 4 and we'll get started.

Access Equipment

The second quarter clearly demonstrated the global strength of the JLG brand. While access equipment sales for the quarter were down nearly 20% in North America, international sales practically doubled, leading to JLG growth of about 15% compared to the same period last year. In particular, we are experiencing strong demand for our larger aerial work platforms.

Our business was broad-based in the quarter. Sales outside the U.S. comprised more than half of our access equipment sales for the first time, as our business was quite strong in Europe in spite of significant industry consolidation during the last 6-9 months, which caused several customers to push out product deliveries. In emerging markets, we had the opportunity to serve a number of startup rental operations as the concept of renting equipment to support large infrastructure, energy and mining projects takes hold. And, in the U.S., our business with independent rental companies improved due to our leading JLG Ground Support™ activities, which partially offset lower purchases from large rental companies in response to the weak U.S. economy.

Back in March, we launched a number of new JLG products at the ConExpo show to continue our industry leadership. Traffic at the show was very strong, particularly from international customers, and the interest level in our new products was impressive. We have significantly raised the bar for customer support and attention to detail with our Ground Support services, including parts fulfillment, repair, rebuild and remanufacturing. Our new ClearSky™ asset technology enables rental operators to remotely monitor the condition and use of our products to reduce maintenance costs and improve utilization, clearly raising the bar even further. At the show, we also introduced our new super compact telehandler, which is truly a global product. Frankly, we were a bit late to market with this product, but took the opportunity to greatly enhance the customer experience and we expect it to perform well for us. Lastly, we introduced our revolutionary new LiftPod ®, which has the potential to significantly benefit the work-at-height trades people and professionals who need to be in the air, but don't need the might or horsepower of a larger aerial work platform. This low-priced, lightweight unit is perfect for use by facility maintainers and painting contractors.

Please move with me to slide 5 and let's take a look at defense.

Defense

Our defense business has continued to operate effectively as we've increased our production output for both new and remanufactured trucks. The segment's solid backlog and funding requests that are currently with Congress give us confidence and visibility into fiscal 2009 and provide a solid foundation for fiscal 2010.

We expect to be significantly ramping up our parts & service business in the back half of fiscal 2008 as deliveries increase for armor kits to be installed on our Medium Tactical Vehicle Replacement ("MTVR") trucks that are used by the U.S. Marines.

On April 14, a hard-working team of Oshkosh employees along with our partners at Northrop Grumman submitted our proposal for the Technology Development ("TD") phase of the $40 billion, ten-year Joint Light Tactical Vehicle ("JLTV") program. We expect that sometime this summer, the Department of Defense ("DoD") will select three teams to continue into the TD phase, which should last approximately two years, to be followed by a System Development & Demonstration ("SDD") phase, which would then move to a final down-select to a production contract for this extremely important program. Production volumes are likely sometime in 2012 or 2013, but could commence as early as 2010 or 2011 if both urgent requirements and the technical capabilities of TD vehicles warrant a modification to the program. While the competition is fierce, we believe that our team offers unique capabilities to protect and serve the Warfighter at a low total cost that could be compelling to the DoD.

Please turn to slide 6.

Fire & Emergency

Soft markets continue to impact portions of our fire & emergency business. Higher fuel prices and the overall sluggish U.S. economy are working against our towing & recovery business, while certain changes in healthcare reimbursement as well as softness in the broadcast industry have impacted the products made by Oshkosh Specialty Vehicles ("OSV").

Pierce had a solid quarter in what has been a down market over the past year. In fact, the past four quarters combined form the weakest annual period in the past 12 years for fire truck industry orders. But Pierce is turning in a strong performance in this market as orders were up during the quarter. Building on that, we thrilled the crowd and challenged the competition at the FDIC trade show three weeks ago in Indianapolis when we introduced Pierce Ultimate Configuration ("PUC") technology onto three additional product platforms. This technology greatly enhances the serviceability of the fire pump, while offering significantly more compartment space and a shorter wheelbase. We believe that these new products, in addition to our best-in-industry dealer network, will support us turning up the heat in the fire apparatus business as we compete aggressively in this market.

The airport products business was once again led by strong aircraft rescue and firefighting ("ARFF") vehicle shipments and vigorous order activity in international markets to support global airport expansion.

As we are doing in all of our segments, we will continue to work on cost containment activities to improve our profitability. Also, back in late January, Pierce announced a price increase, effective April 1, that has now been implemented. The early reaction by our dealer network has been favorable.

Lastly, we hired a new president for our JerrDan towing and recovery business in February and we're very happy with his progress to date. Mike Walter brings extensive operations, manufacturing and business development experience with him and we're delighted with his early progress.

Overall, we're facing some tough market conditions, but global opportunities and new product introductions should still permit this segment to deliver modest, single-digit sales growth in fiscal 2008.

Please turn to slide 7.

Commercial

Overall, results in this segment were quite disappointing due to difficulties in restructuring our European refuse collection vehicle business and the severity of the concrete placement downturn. We are committed to investing the time and resources necessary to help this segment return to profitability in fiscal 2009 and achieve long-term value.

Conditions for our concrete placement business further weakened in the second quarter as customers remained very cautious due to the weak U.S. residential construction market and ongoing concerns about the overall U.S. economy. Add to this the aftereffects of the large pre-buy that resulted from the 2007 diesel engine emissions standards changes and you have a severe market downturn. At this time, we do not see significant relief until either residential construction strengthens or pre-buy activity begins ahead of the 2010 diesel engine emissions standards changes. We have maintained price discipline during the fiscal year and will raise prices soon if recently announced steel cost increases hold. We're also stepping up our cost reduction activities to allow this business to better weather this market downturn. We expect to have more to say about this during our third quarter conference call.

Our domestic refuse collection vehicle business continues to demonstrate its market leadership and deliver solid performance in a weak economy. We expect sales in this business to be up in the second half of the fiscal year as we realize the benefits of several quarters of strong orders.

Finally, restructuring progress continues at the Geesink Norba Group ("Geesink"), our European refuse collection vehicle business. Geesink began production of Norba-branded units at our Emmeloord, The Netherlands facility during the quarter, and will continue the ramp-up of Norba production during the third quarter. We are experiencing larger inefficiencies during the ramp-up than we anticipated as we integrate the production of the Geesink and Norba product lines, but we believe these inefficiencies will be overcome as our employees move up the

learning curve. Geesink also began fabricating parts in its Romanian facility in the second quarter to be used in the manufacture of JLG aerial products in Belgium.

While the facility consolidation has been difficult, we are encouraged by the progress we have made in a short time and especially by the improved quality of the products. We are also particularly pleased to announce new leadership at Geesink, as Chris Tecca became part of the team as managing director just last month. Chris comes to us with exceptionally strong general management and broad international operations experience. We all look forward to working with him.

I'll now turn it over to Dave, who will run through the numbers with you.

Dave Sagehorn

Thanks Charlie and good morning everyone.

Please turn to slide 8.

Consolidated Results

Consolidated net sales of $1.77 billion for the second quarter of fiscal 2008 were up 6.7% compared to the second quarter of last year, led by strong access equipment and defense segment sales. Operating income increased 24.8% to $168.2 million, with results at access equipment and defense more than offsetting lower operating earnings at our fire & emergency and commercial segments. Consolidated operating income margin increased 140 basis points to 9.5% compared to the prior year quarter, and earnings per share increased 42.6% to $0.97 as a result of the strong operating performance.

Corporate operating expenses and inter-segment profit elimination grew by $9.3 million to $30.2 million in the second quarter of fiscal 2008 compared to last year, largely due to higher personnel-related costs and information technology spending to support our growth objectives, as well as stock-based compensation expense.

Interest expense was lower in the quarter compared to the prior year quarter due to lower outstanding debt and lower interest rates.

And finally, our tax rate for the quarter was 36.7%. This is higher than our first quarter as a result of several discrete items that were recorded during the second quarter.

Now, let's take a look at each of the segments in detail.

Please turn to slide 9.

Access Equipment

Access equipment recorded sales of $813.1 million in the second quarter, up 14.9% compared to the same period last year, driven mainly by strength in our international markets, predominantly Europe. Foreign currency movement benefited sales by approximately 550 basis points. Operating income was up sharply to $123.6 million and operating income margin was 15.2%. The operating income margin benefited from higher sales volume, favorable product and customer mix, foreign currency impact of approximately 200 basis points and a favorable comparison with last year's performance that included a purchase accounting charge of $8.5 million related to an inventory revaluation that was not part of this year's second quarter.

The backlog for access equipment was $905.6 million at March 31, 2008, which was down 29.8% compared to March 31, 2007 and down slightly from December 31, 2007. The decrease in backlog is largely the result of the weaker economy, which has impacted the timing and frequency of orders from large rental houses.

Please turn to slide 10.

Defense

Defense segment sales in the quarter were $450.8 million, up 47.3% compared to last year's second quarter on continuing strong demand for new and remanufactured trucks and higher aftermarket parts & service sales. Operating income grew from $52.8 million to $59.7 million.

Operating income margin for the quarter in this segment was lower, as we've been estimating, to 13.2% as a greater percentage of the segment's sales this quarter came from truck shipments under the Family of Heavy Tactical Vehicles ("FHTV") contract that was renegotiated last year. Margins in this segment were also negatively impacted by inefficiencies on a defense service contract and higher bid and proposal costs.

Backlog in this segment was $1.5 billion at March 31, 2008, down 12.6% compared to the end of last year's second quarter. Delays in Congress completing the 2008 Global War on Terror Supplemental budget bill have delayed some funding from being converted into contracted orders for Oshkosh vehicles, resulting in the decrease in backlog.

Please turn to slide 11.

Fire & Emergency

Turning to fire & emergency, sales decreased by 7.4% compared to the prior year quarter in a more challenging environment. While sales for Pierce were basically flat in a down market and airport products sales were up modestly, we experienced softer sales at JerrDan and Oshkosh Specialty Vehicles. The timing of deliveries by BAI, which shifted into the second half of fiscal 2008, also impacted sales in the quarter. Operating income in the segment declined 25.6% to $20.6 million, or 7.6% of sales, compared to the prior year quarter due mostly to the lower volume.

Compared to prior year, the fire & emergency backlog was down about 2% to $624.7 million on March 31, 2008 due to weaker municipal spending in the fire apparatus market, the aftereffects of the diesel engine pre-buy and weaker orders at our JerrDan and OSV businesses.

Please turn to slide 12.

Commercial

Commercial sales declined 30.7% to $250.9 million compared to last year's second quarter due to weak U.S. residential construction and the aftereffects of the diesel engine pre-buy. This, along with an operating loss at our European refuse collection vehicle business, caused segment operating results to decline to a loss of $5.5 million in the second quarter.

Concrete mixer sales were down significantly from the prior year and, frankly, down more than we previously estimated due to the reasons Charlie described earlier. Our domestic refuse collection vehicle sales were down modestly this quarter as this business has been less affected by the diesel engine emissions standards changes than our concrete business.

The Geesink Norba Group incurred an operating loss of $8.6 million in the quarter including charges of $3.4 million related to the ongoing restructuring of this business. This business was also directly impacted in the quarter by the production related inefficiencies that Charlie referred to, as well as an unfavorable foreign currency impact.

Backlog for the commercial segment was down 16.4% at March 31, 2008 compared to March 31, 2007, with the biggest decline concentrated in our concrete placement business. This decline was largely the result of the weak domestic economy and the pre-buy related backlog last year that carried over into the first half of calendar 2007.

Please turn to slide 13 for a review of our guidance for the full year fiscal 2008.

Oshkosh Fiscal 2008 Estimates

All comparisons are to our fiscal 2007 actual results and assume no new acquisitions.

Due to the strength of our access equipment and defense businesses, we are maintaining our full year revenue forecast of between $7.1 and $7.3 billion. This is an increase of 13% to 16%.

For access equipment, we are adjusting our revenue expectation up slightly to a growth rate of 25% to 30%, which is above our previous estimate of about 25% growth. This is based on our strong first half results, strong international markets and a larger benefit from foreign currency movement. We still expect that North American access equipment sales will be down double-digits for the full fiscal year.

We are also slightly raising our estimate for defense sales. We now expect the segment to grow by 25% to 30%, driven by both our vehicle and parts & service businesses.

We are maintaining our expected growth rate for fire & emergency of an increase of approximately 5%, reflecting the weakness we are experiencing in several of our businesses in this segment.

And finally, we now expect that commercial sales will be down approximately 20% for the year based on weaker second quarter sales and previously discussed residential construction market conditions as well as the impact on current year demand of the pre-buy ahead of the 2007 engine emissions standards changes.

Turning to slide 14, let's review our operating income assumptions.

Oshkosh Fiscal 2008 Estimates

We are slightly reducing our expectations for full year operating income to a range of approximately $670 to $695 million. This implies a consolidated operating income margin of 9.2% to 9.8%.

We now believe access equipment margins will improve by 250 to 300 basis points, generally due to increased volume, product and customer mix, favorable foreign exchange rates and the absence of one-time purchase accounting charges recorded in the prior year.

We continue to believe that defense margins will decline by a range of 250 to 300 basis points, reflecting the impact of lower contractual margins on certain of our programs, as previously discussed, and parts & service mix. If we receive a JLTV Technology Development contract in fiscal 2008, we would expect to incur additional expenses related to program development that are not included in this operating income margin estimate.

We are modestly reducing our estimate for fire & emergency margins and now expect them to decline by 50 to 100 basis points in fiscal 2008 due to weakness in several of our businesses in this segment.

We now expect our commercial segment to incur an operating loss for the fiscal year, as we believe that margins will decline by 500 to 550 basis points compared to prior year. Coupled with our lower sales estimate, this is a significant change, illustrating the recession-like conditions we previously discussed for the segment. The decrease in margins from our previous estimates is a result of lower sales estimates, higher costs related to inefficiencies associated with moving production of Norba refuse collection vehicles to The Netherlands, unfavorable foreign currency movement and a shift to a higher percentage of package sales, which include lower margin chassis sales. At this time, we do not believe that the issues being experienced at Geesink are indicators of goodwill impairment. We will continue to monitor this business and perform our annual impairment test early in the fourth quarter as required by our policy.

We expect corporate and intersegment elimination expenses will increase by $25 to $30 million in fiscal 2008 due to estimated expenses associated with investments in personnel and several large information technology projects that support our growth objectives, as well as stock-based compensation expense. This is down slightly from our previous estimate.

Turning to slide 15, let's take care of a few more P&L items.

Oshkosh Fiscal 2008 Estimates

We estimate our interest expense will be in a range of $210 to $215 million, down from our last update on February 1, as a result of lower interest rates.

We are maintaining our full year tax rate estimate at 33.5%, reflecting the favorable impact of tax planning strategies.

Expectations for equity in earnings are higher than our previous estimates at a range of $5.0 to $5.5 million of income.

And finally, our estimate for the average shares outstanding is 75 million for earnings per share calculations.

Oshkosh Fiscal 2008 Estimates

Finishing up with slide 16, before I turn it back over to Bob, as we mentioned in our press release and earlier during the call today, we are maintaining our fiscal 2008 earnings per share estimate range of $4.15 to $4.35. This is an increase of 16% to 22% over our fiscal 2007 performance. We believe these are reasonable and responsible estimates as we have some solid businesses in attractive markets, but we do face economic uncertainty and rising raw materials costs that are impacting a number of our businesses. Our estimates for fiscal 2008 reflect higher steel costs in the second half of the year, based on our current knowledge of global steel markets.

We are estimating a range of $1.40 to $1.50 earnings per share for the third quarter of fiscal 2008. This represents an increase of 16% to 24% over the third quarter of fiscal 2007 performance, driven by continued strength at our access equipment and defense segments.

And finally, we are maintaining our capital expenditure estimate for the year at $110 million and our debt target of between $2.65 and $2.75 billion at the end of fiscal 2008.

I'll turn it back over to Bob for a final wrap-up before the Q&A. Please turn to slide 17.

Fiscal Q2 2008 Summary

Bob Bohn

Thanks, Dave.

We, like many other companies, are facing substantial external pressures and negative conditions in the markets for many of our products. But that does not deter us; it merely inspires us to work more effectively and to enter into new areas of opportunity, most of them in locations outside the U.S. We've been planning for this and are ready for it as we continue to expand our business outside of our traditional U.S. markets.

As I said on the last conference call, we are still confident in our ability to grow Oshkosh in a variety of economic conditions. Both our access equipment and defense segments are performing well and have positive tailwinds in several market areas. Counter to this, we are experiencing the effects of weaker markets in our fire & emergency and commercial segments. We will also continue to be diligent with regard to managing raw materials costs as we work to optimize our supply chain and raise pricing for our products as necessary.

With that in mind, we are proud to be announcing strong results again and reiterating a positive, yet responsible outlook as we maintain our full-year sales and EPS estimates that result in growth rates of 13% to 16% and 16% to 22%, respectively, over fiscal 2007.

Our defense business has stayed strong and we have good visibility into the government's needs for our tactical wheeled vehicles. We also submitted our proposal for the JLTV opportunity in April. I know you will be monitoring the progress of this exciting program.

Finally, we opened our new Asian procurement office this past quarter and have continued to strengthen our operating businesses with the addition of new leaders in our towing & recovery business and our European refuse collection vehicle subsidiary.

We know that a strong global market will be necessary to help us navigate the turbulent times that we are all experiencing in the U.S. right now. We are confident that we have the right team and the right strategies to profitably grow Oshkosh Corporation. It will come down to execution and we excel at that here at Oshkosh. It is our mission to deliver on the commitments we have made to our customers, our employees, and of course, our shareholders.

With that, I will turn it back over to Pat and the operator for questions.

Pat Davidson

Thanks, Bob. I'd like to remind everyone to limit their questions to one plus a follow-up. This works well and gives us the best opportunity for participation on your end. After the follow-up, we ask that each participant get back in queue to ask additional questions.

Operator, please begin the question and answer period of this call.