

OSHKOSH CORP

FORM 10-Q (Quarterly Report)

Filed 02/14/02 for the Period Ending 12/31/01

Address	2307 OREGON ST P O BOX 2566 OSHKOSH, WI 54903
Telephone	920 235 9151
CIK	0000775158
Symbol	OSK
SIC Code	3711 - Motor Vehicles and Passenger Car Bodies
Industry	Auto & Truck Manufacturers
Sector	Consumer Cyclical
Fiscal Year	09/30

OSHKOSH TRUCK CORP

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Filed 2/14/2002 For Period Ending 12/31/2001

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Fiscal Year	09/30

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2001

or

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

for the Transition period from _____ to _____

Commission File Number 0-13886

Oshkosh Truck Corporation

[Exact name of registrant as specified in its charter]

Wisconsin

39-0520270

[State or other jurisdiction of
incorporation or organization]

[I.R.S. Employer
Identification No.]

2307 Oregon Street, P.O. Box 2566, Oshkosh, Wisconsin

54903

[Address of principal executive offices]

[Zip Code]

Registrant's telephone number, including area code (920) 235-9151

None

[Former name, former address and former fiscal year, if changed since
last report]

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class A Common Stock Outstanding as of January 31, 2002: 417,738

Common Stock Outstanding as of January 31, 2002: 16,307,695

FOR THE QUARTER ENDED DECEMBER 31, 2001

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PART I. ITEM 1. FINANCIAL INFORMATION

OSHKOSH TRUCK CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

	Three Months Ended December 31,	
	2001	2000
	(In thousands, except per share amounts)	
Net sales	\$ 361,493	\$ 282,528
Cost of sales	311,469	239,261
Gross income	50,024	43,267
Operating expenses:		
Selling, general and administrative	30,805	22,619
Amortization of goodwill and other intangibles	1,440	2,864
Total operating expenses	32,245	25,483
Operating income	17,779	17,784
Other income (expense):		
Interest expense	(6,422)	(4,658)
Interest income	285	169
Miscellaneous, net	(250)	--
	(6,387)	(4,489)
Income before income taxes and equity in earnings of unconsolidated partnership	11,392	13,295
Provision for income taxes	3,304	5,375
	8,088	7,920
Equity in earnings of unconsolidated partnership, net of income taxes	520	303
Net income	\$ 8,608	\$ 8,223
	=====	=====
Earnings per share	\$ 0.51	\$ 0.49
	=====	=====
Earnings per share assuming dilution	\$ 0.50	\$ 0.48
	=====	=====
Cash dividends:		
Class A Common Stock	\$ 0.07500	\$ 0.07500
Common Stock	\$ 0.08625	\$ 0.08625

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

OSHKOSH TRUCK CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	December, 31, 2001 ----	September 30, 2001 ----
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,947	\$ 11,312
Receivables, net	150,116	211,405
Inventories	250,001	258,038
Prepaid expenses	5,759	6,673
Deferred income taxes	17,556	15,722
	-----	-----
Total current assets	433,379	503,150
Investment in unconsolidated partnership	20,233	18,637
Other long-term assets	11,448	11,770
Property, plant and equipment	245,031	244,166
Less accumulated depreciation	(106,426)	(102,238)
	-----	-----
Net property, plant and equipment	138,605	141,928
Purchased intangible assets, net	104,565	121,643
Goodwill	299,352	292,140
	-----	-----
Total assets	\$ 1,007,582	\$ 1,089,268
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 71,682	\$ 107,864
Floor plan notes payable	12,151	19,271
Customer advances	82,822	58,070
Payroll-related obligations	21,340	27,084
Income taxes	13,050	25,221
Accrued warranty	18,077	18,338
Other current liabilities	45,466	46,322
Revolving credit facility and current maturities of long-term debt	40,204	77,031
	-----	-----
Total current liabilities	304,792	379,201
Long-term debt	278,629	282,249
Deferred income taxes	33,884	40,334
Other long-term liabilities	39,842	40,458
Commitments and contingencies		
Shareholders' equity	350,435	347,026
	-----	-----
Total liabilities and shareholders' equity	\$ 1,007,582	\$ 1,089,268
	=====	=====

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

OSHKOSH TRUCK CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
THREE MONTHS ENDED DECEMBER 31, 2001
(Unaudited)

	Common Stock -----	Paid-in Capital -----	Retained Earnings -----	Cost of Common Stock in Treasury -----	Other Comprehensive Income -----	Total -----
	(In thousands)					
Balance at September 30, 2001	\$ 178	\$ 110,330	\$ 246,915	\$ (10,195)	\$ (202)	\$347,026
Comprehensive income:						
Net income	---	----	8,608	----	---	8,608
Loss on derivative instruments (net of income tax benefit of \$6)					(10)	(10)
Currency translation adjustments	---	----	----	----	(3,763)	(3,763)
Comprehensive income						4,835
Cash dividends:						
Class A Common Stock	---	----	(31)	----	---	(31)
Common Stock	---	----	(1,406)	----	---	(1,406)
Other	---	6	----	5	---	11
Balance at December 31, 2001	\$ 178 =====	\$ 110,336 =====	\$ 254,086 =====	\$ (10,190) =====	\$ (3,975) =====	\$350,435 =====

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

OSHKOSH TRUCK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Three Months Ended
December 31,
2001 2000
----- -----
(In thousands)

Operating activities:		
Net income	\$ 8,608	\$ 8,223
Non-cash adjustments	3,000	7,795
Changes in operating assets and liabilities	31,516	(8,015)
	-----	-----
Net cash provided from operating activities	43,124	8,003
 Investing activities:		
Acquisition of business, net of cash acquired	--	(14,423)
Additions to property, plant and equipment	(1,727)	(4,244)
Increase in other long-term assets	(757)	(3,008)
	-----	-----
Net cash used for investing activities	(2,484)	(21,675)
 Financing activities:		
Net borrowings (repayments) under revolving credit facility	(37,200)	8,600
Repayment of long-term debt	(3,242)	(2,265)
Dividends paid	(1,437)	(1,433)
Other	5	55
	-----	-----
Net cash provided from (used for) financing activities	(41,874)	4,957
 Effect of exchange rate changes on cash	(131)	--
	-----	-----
Decrease in cash and cash equivalents	(1,365)	(8,715)
Cash and cash equivalents at beginning of period	11,312	13,569
	-----	-----
Cash and cash equivalents at end of period	\$ 9,947	\$ 4,854
	=====	=====
 Supplementary disclosures:		
Depreciation and amortization	\$ 6,072	\$ 7,080
Cash paid for interest	5,163	1,396
Cash paid for income taxes	18,608	2,832

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

OSHKOSH TRUCK CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. BASIS OF PRESENTATION

The condensed consolidated financial statements included herein have been prepared by Oshkosh Truck Corporation (the "Company") without audit. However, the foregoing financial statements contain all adjustments (which include normal recurring adjustments except as disclosed herein) that are, in the opinion of Company management, necessary to present fairly the condensed consolidated financial statements.

Certain reclassifications have been made to the fiscal 2001 financial statements to conform to the fiscal 2002 presentation.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2001 annual report to shareholders.

2. NEW ACCOUNTING STANDARDS

In October 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). SFAS No. 144 establishes a single accounting model, based on the framework established in SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets To Be Disposed Of" ("SFAS No. 121"), for long-lived assets to be disposed of by sale, and resolves significant implementation issues related to SFAS No. 121. The Company is currently assessing the impact of SFAS No. 144 on its operating results and financial condition. The Company is required to adopt SFAS No. 144 no later than the first quarter of fiscal 2003.

3. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted weighted average shares used in the denominator of the per share calculations:

	Three Months Ended December 31, -----	
	2001	2000
	----	----
Denominator for basic earnings per share	16,715,530	16,668,914
Effect of dilutive options and incentive compensation awards	407,878	401,993
	-----	-----
Denominator for dilutive earnings per share	17,123,408	17,070,907
	=====	=====

4. INVENTORIES

Inventories consist of the following:

	December 31, 2001	September 30, 2001
	----	----
	(In thousands)	
Finished products	\$ 62,616	\$ 64,049
Partially finished products	96,447	104,955
Raw materials	114,934	122,484
	-----	-----
Inventories at FIFO cost	273,997	291,488
Less: Progress/performance-based payments on U.S. government contracts	(10,952)	(20,831)
Excess of FIFO cost over LIFO cost	(13,044)	(12,619)
	-----	-----
	\$ 250,001	\$ 258,038
	=====	=====

Title to all inventories related to government contracts, which provide for progress payments, vests with the government to the extent of unliquidated progress/performance-based payments.

5. GOODWILL AND PURCHASED INTANGIBLE ASSETS

In July 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 requires that all business combinations be accounted for using the purchase method of accounting and that certain intangible assets acquired in a business combination be recognized as assets apart from goodwill. SFAS No. 141 was effective for all business combinations initiated after June 30, 2001. SFAS No. 142 requires goodwill to be tested for impairment under certain circumstances, and written down when impaired, rather than being amortized as previous standards required. Furthermore, SFAS No. 142 requires purchased intangible assets other than goodwill to be amortized over their useful lives unless these lives are determined to be indefinite. Purchased intangible assets are carried at cost less accumulated amortization. Amortization is computed over the useful lives of the respective assets.

SFAS No. 142 is effective for fiscal years beginning after December 15, 2001; however, the Company has elected to early-adopt the standard effective the beginning of fiscal 2002. In accordance with SFAS No. 142, the Company ceased amortizing goodwill totaling \$301.5 million as of the beginning of fiscal 2002, including the following purchased intangible assets that were subsumed into goodwill (net of related deferred income tax liabilities of \$6.0 million): \$2.9 million of assembled workforce intangible assets, \$2.7 million of going concern/immediate use intangible assets and \$9.8 million of internal sales force intangible assets. Due to indefinite lives, the Company also ceased amortizing trade names totaling \$5.4 million as of the beginning of fiscal 2002. As a result, in the first quarter of fiscal 2002, the Company did not recognize \$1.7 million of goodwill and trade name amortization expense that would have been recognized had the previous standards been in effect.

The following table presents the impact of SFAS No. 142 on net income and net income per share had the standard been in effect for the first quarter of fiscal 2001 (in thousands, except per share amounts):

	Three Months Ended December 31,	
	2001 -----	2000 -----
Reported net income	\$ 8,608	\$ 8,223
Adjustments:		
Amortization of goodwill	--	1,422
Amortization of assets previously classified as purchased intangible assets:		
Assembled workforce	--	163
Internal sales force	--	68
Going concern/immediate use	--	19
Trade names	--	10
Income tax effect	--	(103)
Net adjustments	----- --	----- 1,579
Adjusted net income	----- \$ 8,608 =====	----- \$ 9,802 =====
Reported net income per share	\$ 0.51	\$ 0.49
Adjusted net income per share	\$ 0.51	\$ 0.59
Reported net income per share assuming dilution	\$ 0.50	\$ 0.48
Adjusted net income per share assuming dilution	\$ 0.50	\$ 0.57

There was no impairment of goodwill upon adoption of SFAS No. 142. The Company is required to perform goodwill impairment tests on an annual basis and between annual tests in certain circumstances. There can be no assurance that future goodwill impairment tests will not result in a charge to earnings.

The following tables present details of the Company's total purchased intangible assets (dollars in thousands):

December 31, 2001 -----	Weighted Average Life ----	Gross -----	Accumulated Amortization -----	Net ---
	(years)			
Amortizable:				
Distribution network	40.0	\$ 53,000	\$ (6,995)	\$ 46,005
Non-compete	14.5	40,106	(10,124)	29,982
Technology-related	17.9	20,146	(3,166)	16,980
Other	15.0	6,800	(499)	6,301
	26.3	120,052	(20,784)	99,268
Non-amortizable-Trade names		5,498	(201)	5,297
Total		\$ 125,550	\$ (20,985)	\$ 104,565
		=====	=====	=====

September 30, 2001 -----	Weighted Average Life ----	Gross -----	Accumulated Amortization -----	Net ---
	(years)			
Amortizable:				
Distribution network	40.0	\$ 53,000	\$ (6,664)	\$ 46,336
Non-compete	14.5	40,106	(9,400)	30,706
Technology-related	17.9	20,247	(2,867)	17,380
Assembled workforce	11.3	5,600	(2,678)	2,922
Internal sales force	40.0	10,800	(968)	9,832
Going concern/immediate use	40.0	3,000	(319)	2,681
Trade names	22.1	5,603	(201)	5,402
Other	15.0	6,800	(416)	6,384
Total	26.9	\$ 145,156	\$ (23,513)	\$ 121,643
		=====	=====	=====

The Company engaged third-party business valuation appraisers to determine the fair value of the intangible assets in connection with the Company's larger acquisitions--specifically the acquisitions of Pierce Manufacturing Inc. ("Pierce") in fiscal 1996, McNeilus Companies, Inc. ("McNeilus") in fiscal 1998 and the Geesink Norba Group in fiscal 2001. The allocation of purchase price for the Geesink Norba Group acquisition is tentative pending completion of appraisals of assets acquired and finalization of certain restructuring plans. The allocation may change following the completion of these items.

The estimated future amortization expense of purchased intangible assets is as follows (in thousands):

Fiscal year -----	Amount -----
2002 (remaining nine months)	\$ 4,478
2003	5,966
2004	5,966
2005	5,920
2006	5,699

The following table presents the changes in goodwill during the first quarter of fiscal 2002 allocated to the reportable segments (in thousands):

Segment	Balance at September 30, 2001	Acquired	Adjustments	Balance at December 31, 2001
-----	----	-----	-----	----
Commercial	\$ 194,963	\$ --	\$ 5,047	\$ 200,010
Fire and emergency	97,177	--	2,165	99,342
Defense	--	--	--	--
	-----	-----	-----	-----
Total	\$ 292,140	\$ --	\$ 7,212	\$ 299,352
	=====	=====	=====	=====

The adjustments during the first quarter of fiscal 2002 included a reduction of \$2.2 million resulting from currency translation adjustments and reclassification of the net book value of recorded assets subsumed into goodwill upon adoption of SFAS No. 142, including: assembled workforce assets of \$2.9 million, going-concern/immediate use assets of \$2.7 million and internal sales force asset of \$9.8 million, net of related deferred tax liabilities of \$6.0 million. The internal sales force asset subsumed into goodwill neither arose from contractual or legal rights nor was it separable.

6. BUSINESS COMBINATIONS

On July 25, 2001, the Company acquired all the outstanding capital stock of the Geesink Norba Group. The cash purchase price of the acquisition of 156.4 million euros, including acquisition costs of 4.0 million euros and net of cash acquired, or \$137.6 million was financed under a new Term B Loan under the Company's senior credit facility. The Geesink Norba Group is a leading European manufacturer of refuse collection truck bodies, mobile and stationary compactors and transfer stations under the Geesink and Norba brands. The Geesink Norba Group is included in the Company's commercial segment.

On October 30, 2000, the Company acquired all of the issued and outstanding capital stock of Medtec Ambulance Corporation ("Medtec") for \$14.4 million in cash, including acquisition costs and net of cash acquired. Medtec is a U.S. manufacturer of custom ambulances and rescue vehicles. The acquisition was financed from available cash. Medtec is included in the Company's fire and emergency segment.

These acquisitions were accounted for using the purchase method of accounting and, accordingly, the operating results of the Geesink Norba Group and Medtec are included in the Company's consolidated statements of income beginning July 25, 2001 and October 30, 2000, respectively.

Proforma unaudited consolidated operating results of the Company for the three months ended December 31, 2000, assuming the Geesink Norba Group and Medtec had been acquired as of October 1, 2000 is summarized below (in thousands):

Net sales	\$ 311,919
Net income	7,990
Earnings per share	\$ 0.48
Earnings per share assuming dilution	\$ 0.47

7. LONG-TERM DEBT

The Company has outstanding a senior credit facility consisting of a \$170.0 million revolving credit facility ("Revolving Credit Facility") with \$28.0 million outstanding at December 31, 2001, a Term Loan A with \$49.5 million outstanding at December 31, 2001 and a Term Loan B with \$139.3 million outstanding at December 31, 2001. The Revolving Credit Facility and the Term Loan A mature in January 2006 and the Term Loan B matures in January 2007.

At December 31, 2001, \$28.0 million of outstanding borrowings and \$20.7 million of outstanding letters of credit reduced available capacity under the Revolving Credit Facility to \$121.3 million.

Substantially all the domestic tangible and intangible assets of the Company and its subsidiaries (including the stock of certain subsidiaries) are pledged as collateral under the senior credit facility. The senior credit facility includes customary affirmative and negative covenants.

The Company has outstanding \$100.0 million of 8.75% senior subordinated notes. The Indenture governing the terms of the senior subordinated notes contains customary affirmative and negative covenants. The Subsidiary Guarantors (as defined below in Note 10) fully, unconditionally, jointly and severally guarantee the Company's obligations under the senior subordinated notes.

Certain of the Company's subsidiaries have outstanding debt to third parties totaling \$2.0 million as of December 31, 2001.

8. COMMITMENTS AND CONTINGENCIES

As part of its routine business operations, the Company disposes of and recycles or reclaims certain industrial waste materials, chemicals and solvents at third party disposal and recycling facilities, which are licensed by appropriate governmental agencies. In some instances, these facilities have been and may be designated by the United States Environmental Protection Agency ("EPA") or a state environmental agency for remediation. Under the Comprehensive Environmental Response, Compensation, and Liability Act (the "Superfund" law) and similar state laws, each potentially responsible party ("PRP") that contributed hazardous substances may be jointly and severally liable for the costs associated with cleaning up the site. Typically, PRPs negotiate a resolution with the EPA and/or the state environmental agencies. PRPs also negotiate with each other regarding allocation of the cleanup cost.

As to one such Superfund site, Pierce is one of 393 PRPs participating in the costs of addressing the site and has been assigned an allocation share of approximately 0.04%. Currently, a report of the remedial investigation/ feasibility study is being completed, and as such, an estimate for the total cost of the remediation of this site has not been made to date. However, based on estimates and the assigned allocations, the Company believes its liability at the site will not be material and its share is adequately covered through reserves established by the Company at December 31, 2001. Actual liability could vary based on

results of the study, the resources of other PRPs, and the Company's final share of liability.

The Company is addressing a regional trichloroethylene ("TCE") groundwater plume on the south side of Oshkosh, Wisconsin. The Company believes there may be multiple sources in the area. TCE was detected at the Company's North Plant facility with testing showing the highest concentrations in a monitoring well located on the upgradient property line. Because the investigation process is still ongoing, it is not possible for the Company to estimate its long-term total liability associated with this issue at this time. Also, as part of the regional TCE groundwater investigation, the Company conducted a groundwater investigation of a former landfill located on Company property. The landfill, acquired by the Company in 1972, is approximately 2.0 acres in size and is believed to have been used for the disposal of household waste. Based on the investigation, the Company does not believe the landfill is one of the sources of the TCE contamination. Based upon current knowledge, the Company believes its liability associated with the TCE issue will not be material and that it has established adequate reserves for the matter as of December 31, 2001. However, this may change as investigations proceed by the Company, other unrelated property owners, and the government.

The Company is subject to other environmental matters and legal proceedings and claims, including patent, antitrust, product liability and state dealership regulation compliance proceedings, that arise in the ordinary course of business. Although the final results of all such matters and claims cannot be predicted with certainty, management believes that the ultimate resolution of all such matters and claims, after taking into account the liabilities accrued with respect to such matters and claims, will not have a material adverse effect on the Company's financial condition or results of operations. Actual results could vary, among other things, due to the uncertainties involved in litigation.

The Company has guaranteed certain customers' obligations under deferred payment contracts and lease purchase agreements totaling approximately \$1.0 million at December 31, 2001. The Company is also contingently liable under bid, performance and specialty bonds totaling approximately \$156.6 million and open standby letters of credit issued by the Company's bank in favor of third parties totaling approximately \$20.7 million at December 31, 2001.

9. BUSINESS SEGMENT INFORMATION

	Three Months Ended December 31,	
	2001	2000
	----- (In thousands)	
Net sales to unaffiliated customers:		
Commercial	\$ 129,429	\$ 107,037
Fire and emergency	95,866	93,746
Defense	136,575	81,745
Intersegment eliminations	(377)	--
	-----	-----
Consolidated	\$ 361,493	\$ 282,528
	=====	=====
Operating income (loss):		
Commercial	\$ 7,296	\$ 6,172
Fire and emergency	7,753	7,355
Defense	8,042	8,546
Corporate and other	(5,312)	(4,289)
	-----	-----
Consolidated operating income	17,779	17,784
Net interest expense	(6,137)	(4,489)
Miscellaneous other	(250)	--
	-----	-----
Income before income taxes and equity in earnings of unconsolidated partnership	\$ 11,392	\$ 13,295
	=====	=====
	December 31,	September 30,
	2001	2001
	-----	-----
	(In thousands)	
Identifiable assets:		
Commercial	\$ 568,649	\$ 594,845
Fire and emergency	305,800	315,565
Defense	129,517	168,400
Corporate and other	3,616	10,458
	-----	-----
Consolidated	\$1,007,582	\$1,089,268
	=====	=====

10. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

The following tables present condensed consolidating financial information for:

(a) the Company; (b) on a combined basis, the guarantors of the senior subordinated notes, which include all wholly-owned subsidiaries of the Company ("Subsidiary Guarantors") other than Geesink Norba Group, McNeilus Financial Services, Inc. and Oshkosh/McNeilus Financial Services, Inc., which are the only non-guarantor subsidiaries of the Company ("Non-Guarantor Subsidiaries"), and (c) on a combined basis, the Non-Guarantor Subsidiaries. Separate financial statements of the Subsidiary Guarantors are not presented because the Subsidiary Guarantors are jointly, severally and unconditionally liable under the guarantees, and the Company believes separate financial statements and other disclosures regarding the Subsidiary Guarantors are not material to investors.

The Company is comprised of Wisconsin and Florida manufacturing operations and certain corporate management, information services and finance functions. Borrowings and related interest expense under the senior credit facility and the senior subordinated notes are charged to the Company. The Company has allocated a portion of this interest expense to certain Subsidiary Guarantors through formal lending arrangements. There are no management fee arrangements between the Company and its Non-Guarantor Subsidiaries.

OSHKOSH TRUCK CORPORATION
Condensed Consolidating Statements of Income
For the Three Months Ended December 31, 2001
(Unaudited)

	Company -----	Subsidiary Guarantors -----	Non-Guarantor Subsidiaries -----	Eliminations -----	Consolidated -----
			(In thousands)		
Net sales	\$ 161,690	\$ 174,165	\$ 29,285	\$ (3,647)	\$ 361,493
Cost of sales	143,725	148,626	22,758	(3,640)	311,469
Gross income	17,965	25,539	6,527	(7)	50,024
Operating expenses:					
Selling, general and administrative	12,755	13,483	4,567	--	30,805
Amortization of intangibles	--	1,375	65	--	1,440
Total operating expenses	12,755	14,858	4,632	--	32,245
Operating income	5,210	10,681	1,895	(7)	17,779
Other income (expense):					
Interest expense	(7,070)	(5,895)	(32)	6,575	(6,422)
Interest income	5,088	1,772	--	(6,575)	285
Miscellaneous, net	2,955	(2,998)	(207)	--	(250)
	973	(7,121)	(239)	--	(6,387)
Income before items noted below	6,183	3,560	1,656	(7)	11,392
Provision for income taxes	1,417	1,310	580	(3)	3,304
	4,766	2,250	1,076	(4)	8,088
Equity in earnings of subsidiaries and unconsolidated partnership, net of income taxes	3,842	842	520	(4,684)	520
Net income	\$ 8,608	\$ 3,092	\$ 1,596	\$ (4,688)	\$ 8,608
	=====	=====	=====	=====	=====

OSHKOSH TRUCK CORPORATION
Condensed Consolidating Statements of Income
For the Three Months Ended December 31, 2000
(Unaudited)

	Company -----	Subsidiary Guarantors -----	Non-Guarantor Subsidiaries ----- (In thousands)	Eliminations -----	Consolidated -----
Net sales	\$ 108,116	\$ 177,172	\$ --	\$ (2,760)	\$ 282,528
Cost of sales	93,289	148,884	--	(2,912)	239,261
	-----	-----	-----	-----	-----
Gross income	14,287	28,288	--	152	43,267
Operating expenses:					
Selling, general and administrative	9,369	13,319	(69)	--	22,619
Amortization of goodwill and other intangibles	--	2,864	--	--	2,864
	-----	-----	-----	-----	-----
Total operating expenses	9,369	16,183	(69)	--	25,483
	-----	-----	-----	-----	-----
Operating income	5,458	12,105	69	152	17,784
Other income (expense):					
Interest expense	(5,511)	(5,722)	--	6,575	(4,658)
Interest income	5,035	1,709	--	(6,575)	169
Miscellaneous, net	2,728	(2,728)	--	--	--
	-----	-----	-----	-----	-----
	2,252	(6,741)	--	--	(4,489)
	-----	-----	-----	-----	-----
Income before items noted below	7,710	5,364	69	152	13,295
Provision (credit) for income taxes	2,766	2,526	26	57	5,375
	-----	-----	-----	-----	-----
	4,944	2,838	43	95	7,920
Equity in earnings of subsidiaries and unconsolidated partnership, net of income taxes	3,279	--	303	(3,279)	303
	-----	-----	-----	-----	-----
Net income	\$ 8,223	\$ 2,838	\$ 346	\$ (3,184)	\$ 8,223
	=====	=====	=====	=====	=====

OSHKOSH TRUCK CORPORATION
Condensed Consolidating Balance Sheets
December 31, 2001
(Unaudited)

	Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	-----	-----	-----	-----	-----
	(In thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,846	\$ 859	\$ 6,242	\$ --	\$ 9,947
Receivables, net	60,112	58,515	33,647	(2,158)	150,116
Inventories	81,501	141,090	27,448	(38)	250,001
Prepaid expenses and other	13,177	9,312	826	--	23,315
	-----	-----	-----	-----	-----
Total current assets	157,636	209,776	68,163	(2,196)	433,379
Investment in and advances to:					
Subsidiaries	553,722	12,482	--	(566,204)	--
Unconsolidated partnership	--	--	20,233	--	20,233
Other long-term assets	6,643	4,618	187	--	11,448
Net property, plant and equipment	35,322	86,607	16,676	--	138,605
Goodwill and purchased intangible assets, net	24	309,240	94,653	--	403,917
	-----	-----	-----	-----	-----
Total assets	\$ 753,347	\$ 622,723	\$ 199,912	\$ (568,400)	\$ 1,007,582
	=====	=====	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	\$ 20,295	\$ 30,927	\$ 22,618	\$ (2,158)	\$ 71,682
Floor plan notes payable	--	12,151	--	--	12,151
Customer advances	3,677	79,145	--	--	82,822
Payroll-related obligations	6,815	7,946	6,579	--	21,340
Income taxes	10,682	--	2,368	--	13,050
Accrued warranty	9,261	7,234	1,582	--	18,077
Other current liabilities	17,761	26,582	1,123	--	45,466
Revolving credit facility and current maturities of long-term debt	39,900	261	43	--	40,204
	-----	-----	-----	-----	-----
Total current liabilities	108,391	164,246	34,313	(2,158)	304,792
Long-term debt	276,900	1,601	128	--	278,629
Deferred income taxes	(5,496)	28,766	10,614	--	33,884
Other long-term liabilities	23,982	15,860	--	--	39,842
Commitments and contingencies					
Investments by and advances from (to) parent	--	412,250	154,857	(567,107)	--
Shareholders' equity	349,570	--	--	865	350,435
	-----	-----	-----	-----	-----
Total liabilities and shareholders' equity	\$ 753,347	\$ 622,723	\$ 199,912	\$ (568,400)	\$ 1,007,582
	=====	=====	=====	=====	=====

OSHKOSH TRUCK CORPORATION
Condensed Consolidating Balance Sheets
September 30, 2001
(Unaudited)

	Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	-----	-----	-----	-----	-----
	(In thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,726	\$ 3,394	\$ 3,192	\$ --	\$ 11,312
Receivables, net	104,662	74,814	33,633	(1,704)	211,405
Inventories	82,873	145,635	29,561	(31)	258,038
Prepaid expenses and other	11,525	9,644	1,226	--	22,395
	-----	-----	-----	-----	-----
Total current assets	203,786	233,487	67,612	(1,735)	503,150
Investment in and advances to:					
Subsidiaries	575,807	8,591	--	(584,398)	--
Unconsolidated partnership	--	--	18,637	--	18,637
Other long-term assets	6,940	4,729	101	--	11,770
Net property, plant and equipment	36,286	88,783	16,859	--	141,928
Goodwill and purchased intangible assets, net	24	316,635	97,124	--	413,783
	-----	-----	-----	-----	-----
Total assets	\$ 822,843	\$ 652,225	\$ 200,333	\$ (586,133)	\$ 1,089,268
	=====	=====	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	\$ 41,703	\$ 42,143	\$ 25,722	\$ (1,704)	\$ 107,864
Floor plan notes payable	--	19,271	--	--	19,271
Customer advances	3,568	54,502	--	--	58,070
Payroll-related obligations	8,881	12,483	5,720	--	27,084
Income taxes	24,013	--	1,208	--	25,221
Accrued warranty	8,813	7,799	1,726	--	18,338
Other current liabilities	18,624	27,567	131	--	46,322
Revolving credit facility and current maturities of long-term debt	76,600	426	5	--	77,031
	-----	-----	-----	-----	-----
Total current liabilities	182,202	164,191	34,512	(1,704)	379,201
Long-term debt	280,250	1,812	187	--	282,249
Deferred income taxes	(5,764)	35,119	10,979	--	40,334
Other long-term liabilities	23,791	16,667	--	--	40,458
Commitments and contingencies					
Investments by and advances from (to) parent	--	434,436	154,655	(589,091)	--
Shareholders' equity	342,364	--	--	4,662	347,026
	-----	-----	-----	-----	-----
Total liabilities and shareholders' equity	\$ 822,843	\$ 652,225	\$ 200,333	\$ (586,133)	\$ 1,089,268
	=====	=====	=====	=====	=====

OSHKOSH TRUCK CORPORATION
Condensed Consolidating Statements of Cash Flows
For the Three Months Ended December 31, 2001
(Unaudited)

	Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	-----	-----	-----	-----	-----
	(In thousands)				
Operating activities:					
Net income	\$ 8,608	\$ 3,092	\$ 1,596	\$ (4,688)	\$ 8,608
Non-cash adjustments	(194)	3,698	(504)	--	3,000
Changes in operating assets and liabilities	10,659	20,478	372	7	31,516
	-----	-----	-----	-----	-----
Net cash provided from (used for) operating activities	19,073	27,268	1,464	(4,681)	43,124
Investing activities:					
Investments in and advances to subsidiaries	20,891	(29,169)	3,718	4,560	--
Additions to property, plant and equipment	(412)	(446)	(869)	--	(1,727)
Other	50	188	(995)	--	(757)
	-----	-----	-----	-----	-----
Net cash provided from (used for) investing activities	20,529	(29,427)	1,854	4,560	(2,484)
Financing activities:					
Net repayments under revolving credit facility	(37,200)	--	--	--	(37,200)
Repayments of long term debt	(2,850)	(376)	(16)	--	(3,242)
Dividends paid	(1,437)	--	--	--	(1,437)
Other	5	--	--	--	5
	-----	-----	-----	-----	-----
Net cash used for financing activities	(41,482)	(376)	(16)	--	(41,874)
Effect of exchange rate changes on cash	--	--	(252)	121	(131)
	-----	-----	-----	-----	-----
Increase (decrease) in cash and cash equivalents	(1,880)	(2,535)	3,050	--	(1,365)
Cash and cash equivalents at beginning of period	4,726	3,394	3,192	--	11,312
	-----	-----	-----	-----	-----
Cash and cash equivalents at end of period	\$ 2,846	\$ 859	\$ 6,242	\$ --	\$ 9,947
	=====	=====	=====	=====	=====

OSHKOSH TRUCK CORPORATION
Condensed Consolidating Statements of Cash Flows
For the Three Months Ended December 31, 2000
(Unaudited)

	Company	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	-----	-----	-----	-----	-----
	(In thousands)				
Operating activities:					
Net income	\$ 8,223	\$ 2,838	\$ 346	\$ (3,184)	\$ 8,223
Non-cash adjustments	3,321	5,527	(1,053)	--	7,795
Changes in operating assets and liabilities	(10,292)	2,439	(10)	(152)	(8,015)
Net cash provided from (used for) operating activities	1,252	10,804	(717)	(3,336)	8,003
Investing activities:					
Acquisition of business, net of cash acquired	--	(14,423)	--	--	(14,423)
Investments in and advances to subsidiaries	(12,167)	7,674	1,157	3,336	--
Additions to property, plant and equipment	(3,790)	(454)	--	--	(4,244)
Other	(19)	(2,749)	(240)	--	(3,008)
Net cash provided from (used for) investing activities	(15,976)	(9,952)	917	3,336	(21,675)
Financing activities:					
Net borrowings under revolving credit facility	8,600	--	--	--	8,600
Repayment of long term debt	(2,000)	(209)	(56)	--	(2,265)
Dividends paid	(1,433)	--	--	--	(1,433)
Other	55	--	--	--	55
Net cash provided from (used for) financing activities	5,222	(209)	(56)	--	4,957
Increase (decrease) in cash and cash equivalents	(9,502)	643	144	--	(8,715)
Cash and cash equivalents at beginning of period	13,034	495	40	--	13,569
Cash and cash equivalents at end of period	\$ 3,532	\$ 1,138	\$ 184	\$ --	\$ 4,854
	=====	=====	=====	=====	=====

Item 2. Oshkosh Truck Corporation

Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations and other sections of this Form 10-Q contain "forward-looking statements" that Oshkosh Truck Corporation (the "Company" or "Oshkosh") believes to be within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this report, including, without limitation, statements regarding the Company's future financial position, business strategy, budgets, targets, projected sales, costs, earnings, capital spending and debt levels, and plans and objectives of management for future operations, including those under the caption "Fiscal 2002 Outlook," are forward-looking statements. When used in this Form 10-Q, words such as the Company "may," "will," "expects," "intends," "estimates," "anticipates," "believes," "should" or "plans" 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, that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the cyclical nature of the Company's commercial and fire and emergency markets, risks related to reductions in government expenditures, the uncertainty of government contracts, the challenges of identifying, completing and integrating future acquisitions, disruptions in the supply of parts or components from sole source suppliers and subcontractors, competition and risks associated with international operations and sales, including foreign currency fluctuations. 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 SEC filings, including, but not limited to the Company's Current Report on Form 8-K filed with the SEC on January 29, 2002. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

All forward-looking statements speak only as of the date the Company files this Quarterly Report on Form 10-Q with the SEC. The Company has adopted a policy that if the Company makes a determination that it expects earnings for future periods for which projections are contained in this Quarterly Report on Form 10-Q to be lower than those projections, then the Company will publicly announce that fact. The Company's policy also provides that the Company does not intend to make such a public announcement if the Company makes a determination that it expects earnings for future periods to be at or above the projections contained in this Quarterly Report on Form 10-Q. Except as set forth above, the Company assumes no obligation, and disclaims any obligation, to update information contained in this Quarterly Report on Form 10-Q. Investors should be aware that the Company may not update such information until the Company's next quarterly conference call, if at all.

General

The major products manufactured and marketed by each of the Company's business segments are as follows:

Commercial-- concrete mixer systems, refuse truck bodies, portable concrete batch plants and truck components sold to commercial ready-mix companies and commercial and municipal waste haulers in the U. S. and abroad.

Fire and emergency -- commercial and custom fire trucks, aircraft rescue and firefighting trucks, snow removal trucks, ambulances and other emergency vehicles primarily sold to fire departments, airports and other governmental units in the U. S. and abroad.

Defense-- heavy- and medium-payload tactical trucks and supply parts sold to the U. S. Military and to other militaries around the world.

Impact of September 11, 2001

The Company believes that the effects of the terrorist acts of September 11, 2001 on the Company may include an increase in customer orders for fire and emergency and defense vehicles and related parts if federal and municipal governments increase spending on defense and homeland security. Although the Company has received additional orders for such products as a result of the September 11 events, such orders to date have not been material and the Company cannot predict whether such orders will increase or decrease, or the timing of any potential orders arising from these events. Further, the Company believes that the impact of September 11 will include global increases in the costs of insurance for all businesses, including the Company. It is not possible to estimate the impact of anticipated insurance cost increases at this time.

Results of Operations

Analysis of Consolidated Net Sales

The following table presents net sales by business segment:

	First Quarter Fiscal	
	2002	2001
	----	----
	(In thousands)	
Net sales to unaffiliated customers:		
Commercial	\$ 129,429	\$ 107,037
Fire and emergency	95,866	93,746
Defense	136,575	81,745
Intersegment eliminations	(377)	--
	-----	-----
Consolidated	\$ 361,493	\$ 282,528
	=====	=====

First Quarter 2002 Compared to 2001

Consolidated net sales increased 27.9% to \$361.5 million for the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001. Excluding the October 2000 acquisition of Medtec Ambulance Corporation ("Medtec") and the July 2001 acquisition of the Geesink Norba Group for all periods, net sales would have increased 16.6%.

Commercial segment net sales increased 20.9% to \$129.4 million for the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001. Excluding the effects of the Geesink Norba Group acquisition, commercial sales decreased 6.4%. Concrete placement sales were down 25.0% in 2002 compared to 2001 as the Company was impacted by the U.S. economic recession. U.S. refuse truck body and parts sales increased 25.8% and were favorably impacted by sales to a large commercial, U.S. waste-hauler under a three year contract which commenced in mid fiscal 2001.

Fire and emergency segment net sales increased 2.3% to \$95.9 million for the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001. Excluding the effects of the acquisition of Medtec, sales decreased 1.3% for the quarter due to lower U.S. municipal spending for fire apparatus.

Defense segment net sales increased 67.1% to \$136.6 million for the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001 largely as a result of full-rate production throughout the quarter on the Company's requirement to supply medium trucks to the U.S. Marines under the Company's Medium Tactical Vehicle Replacement ("MTVR") contract and, to a lesser extent, increased parts sales.

Analysis of Consolidated Operating Income

The following table presents operating income by business segment:

	First Quarter Fiscal	
	2002	2001
	----	----
	(In thousands)	
Operating income (expense):		
Commercial	\$ 7,296	\$ 6,172
Fire and emergency	7,753	7,355
Defense	8,042	8,546
Corporate and other	(5,312)	(4,289)
	-----	-----
Consolidated operating income	\$ 17,779	\$ 17,784
	=====	=====

First Quarter 2002 Compared to 2001

Reported consolidated operating income was flat in the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001. Assuming elimination of goodwill amortization beginning October 1, 2000 and excluding the impacts of the October 2000 acquisition of Medtec and the July 2001 acquisition of the Geesink Norba Group, consolidated operating

income would have decreased 21.3% compared to consolidated operating income for the first quarter of fiscal 2001.

Commercial segment operating income increased 18.2% to \$7.3 million for the first quarter of fiscal 2002 compared to 2001. Excluding the impact of the July 2001 acquisition of the Geesink Norba Group and assuming the elimination of amortization of goodwill effective October 1, 2000, commercial segment operating income would have decreased 23.8% during the quarter compared to the same quarter in the previous year. First quarter 2002 operating income was lower due to lower sales of higher-margin concrete placement products, offset in part by increased volume of lower-margin U.S. refuse products.

Fire and emergency segment operating income increased 5.4% to \$7.8 million for the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001. Operating income for the first quarter of fiscal 2002 includes the operations of Medtec for the full three months compared to two months in the prior year quarter following its acquisition on October 30, 2000. Excluding Medtec and assuming the elimination of amortization of goodwill effective October 1, 2000, operating income would have declined 10.5% for the quarter generally as a result of adverse product mix, a higher-level of sales to larger municipalities at lower margins and higher health care costs at Kewaunee Fabrications, LLC.

Defense segment operating income decreased 5.9% to \$8.0 million for the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001. Operating income margins decreased to 5.9% of defense segment sales for the first quarter of fiscal 2002 compared to 10.5% of defense segment sales for the first quarter of fiscal 2001. Increased sales of lower-margin MTRVs and increased bid and proposal costs related to the U.S. Family of Medium Tactical Vehicle program and various United Kingdom Ministry of Defence programs contributed to this drop in operating income.

Consolidated selling, general and administrative expenses increased to 8.5% of net sales for the first quarter of fiscal 2002 compared to 8.0% of net sales for the first quarter of fiscal 2001. This increase is due to the acquisition of the Geesink Norba Group, which generally has higher gross margins and higher selling, general and administrative expenses than the Company's other businesses.

Corporate and other expenses increased \$1.0 million to \$5.3 million, or 1.5% of consolidated net sales, for the first quarter of fiscal 2002, from \$4.3 million, or 1.5% of consolidated net sales, for the first quarter of fiscal 2001. Increases in corporate expenses generally related to increased variable compensation and acquisition integration support costs.

Analysis of Non-Operating Income Statement Items

First Quarter of Fiscal 2002 Compared to 2001

Net interest expense increased \$1.6 million in the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001. Interest expense on borrowings to fund the acquisitions of Medtec and the Geesink Norba Group were partially offset by lower interest rates on variable rate debt.

The provision for income taxes in the first quarter of fiscal 2002 included a \$0.9 million, or \$0.05 per share, credit related to an audit settlement in December 2001 of a research and development tax credit claim. The provision for income taxes in the first quarter of fiscal 2001 includes nondeductible goodwill amortization of \$1.4 million. The effective tax rate for combined federal and state income taxes for the first quarter of fiscal 2002 was 29.0% compared to 40.4% in the first quarter of fiscal 2001. The Company's effective income tax rate excluding the impact of the research and development tax credit settlement and nondeductible goodwill was 36.6% for the first quarter of both fiscal 2002 and 2001.

Equity in earnings of an unconsolidated partnership of \$0.5 million in the first quarter of fiscal 2002 and \$0.3 million in the first quarter of fiscal 2001 represents the equity in earnings of the Company's interest in a lease financing partnership.

Financial Condition

First Quarter of Fiscal 2002

During the quarter, cash decreased by \$1.4 million to \$9.9 million at December 31, 2001. Cash provided from operating activities of \$43.1 million was used to fund capital expenditures of \$1.7 million, pay dividends of \$1.4 million and reduce short- and long-term debt by \$40.4 million.

In the first quarter of fiscal 2002, net cash provided from operating activities of \$43.1 million was substantially higher than the \$8.0 million of net cash provided from operating activities in the first quarter of fiscal 2001. The \$35.1 million increase primarily resulted from substantially higher reductions of receivables, partially offset by higher income tax payments in the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001. Receivables were reduced by \$60.5 million in the first quarter of fiscal 2002 compared to a reduction of \$5.0 million in the first quarter of fiscal 2001. In the first quarter of fiscal 2002, the Company collected certain defense receivables totaling over \$30 million, which the Company had expected in the month of September 2001. The balance of the change primarily resulted from lower domestic commercial sales, the collection of certain domestic refuse receivables that were outstanding at the beginning of the quarter and carried longer payment terms because a customer was granted longer payment terms in fiscal 2001 as an accommodation to obtain their business, and a stronger collection focus in the first quarter of fiscal 2002. Income tax payments increased \$15.8 million in the first quarter of fiscal 2002 compared to the first quarter of fiscal 2001 largely due to a delay in estimated tax payments from the fourth quarter of fiscal 2001 to the first quarter of fiscal 2002 resulting from a one-time benefit from recent U.S. tax legislation.

The Company's debt-to-total capital ratio at December 31, 2001 was 47.6% compared to 50.9% at September 30, 2001.

First Quarter of Fiscal 2001

During the quarter, cash decreased by \$8.7 million to \$4.9 million at December 31, 2000. Cash provided from operating activities of \$8.0

million, borrowings of \$8.6 million and \$8.7 million in available cash was used to fund the \$14.4 million acquisition of Medtec, capital expenditures of \$4.2 million, scheduled term debt reductions of \$2.3 million, a \$3.0 million increase in other assets and \$1.4 million of dividend payments.

Liquidity and Capital Resources

The Company had \$121.3 million of unused availability under the terms of its revolving credit facility as of December 31, 2001. The Company's primary cash requirements include working capital, interest and principal payments on indebtedness, capital expenditures, dividends, and, potentially, future acquisitions. The primary sources of cash are expected to be cash flow from operations and borrowings under the Company's senior credit facility.

The senior credit facility requires quarterly principal payments. Based upon current and anticipated future operations, management believes that capital resources will be adequate to meet future working capital, debt service and other capital requirements for fiscal 2002 assuming no acquisitions by the Company. Debt levels and capital resource requirements beyond fiscal 2002 are dependent, in part, on the impact of future acquisitions and the outcome of large defense contract competitions.

The Company's cash flow from operations has fluctuated, and will likely continue to fluctuate, significantly from quarter to quarter due to changes in working capital requirements arising principally from seasonal fluctuations in sales and due to the timing of receipt of individually large progress payments and performance-based payments from the U.S. Department of Defense ("DoD").

The Company expects that capital expenditures will not exceed \$25 million in fiscal 2002, including estimated capital expenditures associated with recent acquisitions.

The Company's senior credit facility and senior subordinated notes contain various restrictions and covenants, including (1) limits on payments of dividends and repurchases of the Company's stock; (2) requirements that the Company maintain certain financial ratios at prescribed levels; (3) restrictions on the ability of the Company to make additional borrowings, or to consolidate, merge or otherwise fundamentally change the ownership of the Company; and (4) limitations on investments, dispositions of assets and guarantees of indebtedness. These restrictions and covenants could limit the Company's ability to respond to market conditions, to provide for unanticipated capital investments, to raise additional debt or equity capital, to pay dividends or to take advantage of business opportunities, including future acquisitions.

Interest rates on borrowings under the Company's senior credit facility are variable and are equal to the "Base Rate" (which is equal to the higher of a bank's reference rate and the federal funds rate plus 0.5%) or the "IBOR Rate" (which is a bank's inter-bank offered rate for U.S. dollars in off-shore markets) plus a margin of 0.625%, 0.625% and 1.25% for IBOR Rate loans under the Company's revolving credit facility, Term Loan A and Term Loan B, respectively, as of December 31, 2001. The margins are subject to

adjustment, up or down, based on whether certain financial criteria are met. The weighted average interest rates on borrowings outstanding at December 31, 2001 were 4.123% on the revolving credit facility and 3.875% and 4.500% for Term Loans A and B, respectively. The Company presently has no plans to enter into interest rate swap arrangements to limit exposure to future increases in interest rates.

Customers and Backlog

Sales to the DoD comprised approximately 37% of the Company's net sales in the first quarter of fiscal 2002. No other single customer accounted for more than 10% of the Company's net sales for this period. A substantial majority of the Company's net sales are derived from customer orders prior to commencing production.

The Company's backlog at December 31, 2001 increased 32.9% to \$849.7 million compared to \$639.1 million at December 31, 2000. Commercial segment backlog increased 1.2% to \$134.4 million at December 31, 2001 compared to December 31, 2000. Excluding backlog related to the Geesink Norba Group acquisition, commercial and total Company backlog would have decreased 27.9% and increased 26.9%, respectively, at December 31, 2001 compared to December 31, 2000. The commercial segment backlog decline primarily reflects lower orders of concrete mixers due to the U.S. recession. Fire and emergency segment backlog increased 16.2% to \$307.9 million at December 31, 2001 compared to December 31, 2000. Backlog increased at all fire and emergency businesses, but especially in the Company's aircraft rescue and firefighting ("ARFF") business as the Company was awarded a multi-unit bid for ARFF vehicles. The defense segment backlog increased 68.8% to \$407.4 million at December 31, 2001 compared to December 31, 2000. During the quarter the Company recorded \$76 million in orders for heavy truck tank transporters for the U.K. Ministry of Defence. This award resulted from completion of a multi-year effort and final contract negotiations that were concluded in December 2001. Also, prior year defense backlog reflected the planned low-rate of initial production under the MTRV contract. Defense backlog at December 31, 2001 includes higher, full-rate production requirements called for and funded under the MTRV multi-year contract. Approximately 13% of the December 31, 2001 backlog is not expected to be filled in fiscal 2002.

Reported backlog excludes purchase options and announced orders for which definitive contracts have not been executed. Additionally, backlog excludes unfunded portions of the DoD long-term family and MTRV contracts. Backlog information and comparisons thereof as of different dates may not be accurate indicators of future sales or the ratio of the Company's future sales to the DoD versus its sales to other customers.

Fiscal 2002 Outlook

The Company believes that fiscal 2002 net sales will approximate \$1,625.0 million, up approximately 12.4% from fiscal 2001. By quarter, the Company expects that consolidated net sales will be approximately \$394.0 million in quarter two, \$441.0 million in quarter three and \$429.0 million in quarter four of fiscal 2002.

The Company expects that the fire and emergency segment sales will be essentially flat with prior year at \$465.0 million in fiscal 2002. The Pierce Manufacturing Inc. backlog is relatively strong at December 31, 2001 at 6.3% over the prior year levels, but the Company expects that municipal spending will fall later this year.

The Company believes that defense segment net sales will increase to approximately \$555.0 million in fiscal 2002 due to a \$156.0 million increase in MTRV sales in fiscal 2002 compared to fiscal 2001 as the Company operates at full-rate production under that contract for a full year and higher than expected parts sales. However, the Company expects its higher margin international heavy truck sales to decline, resulting in a net defense sales increase of approximately \$132.0 million.

The Company expects that commercial segment sales will increase approximately 8.4% in fiscal 2002 to approximately \$607.0 million. The Company estimates that the Geesink Norba Group will contribute all of the segment's sales increase by increasing approximately \$81.0 million in fiscal 2002. Fiscal 2001 results included two months of operations of the Geesink Norba Group following its July 25, 2001 acquisition. The Company estimates annual Geesink Norba Group sales to be \$100.0 million. The Company projects concrete placement sales to be down 12% in dollars in fiscal 2002. The Company projects domestic refuse sales to be up only 5% in fiscal 2002. The Company estimates strong sales to the three largest U.S. waste haulers and some market share gains to offset a weakening in capital spending by most commercial waste haulers and municipal customers.

The Company estimates that its consolidated operating income will approximate \$104.0 million in fiscal 2002, or 6.4% of sales. The Company believes that fire and emergency segment operating income will approximate \$50.0 million in fiscal 2002, or about 10.8% of sales. Defense segment operating income should approximate \$35.0 million, or 6.3% of sales. This assumes no margin improvement on the MTRV contract from the 3.3% operating income margin reported to date through the first quarter of fiscal 2002. The Company continues to target higher margins under the MTRV program. The Company expects commercial segment operating income to approximate \$39.0 million, or 6.4% of sales, for fiscal 2002.

The Company expects corporate expenses to approximate \$20.0 million in fiscal 2002, up from \$17.0 million for fiscal 2001. This increase largely reflects higher insurance costs and variable compensation. The Company is also projecting \$26.0 million in net interest costs in fiscal 2002.

The Company believes that earnings per share, after the effects of the elimination of goodwill and indefinite-lived intangible asset amortization, will approximate \$2.98 per share in fiscal 2002. By quarter, the Company expects diluted earnings per share to approximate \$0.67, \$0.86 and \$0.94 for the remaining quarters of fiscal 2002.

The Company believes that potential downsides to its current estimates include lower concrete placement sales, which could decline by another 35% to 40% from fiscal 2001 compared to the Company's current estimate of 12%, if the U.S. economic recession is more severe than assumed. Also, the Company may be unable to sustain market share gains in refuse product and

fire and emergency product sales in fiscal 2002. Potential upsides to the Company's estimates include potential margin improvements on the MTRV production contract. A one-percentage point movement in MTRV margins in fiscal 2002 would approximate \$0.17 per share.

The Company estimates that debt will peak at \$325.0 million at March 31, 2002 and then decline to \$310.0 million at June 30, 2002 and \$285.0 million at September 30, 2002. Despite negative cash flow from operations of approximately \$8.4 million in fiscal 2001, the Company expects to generate sufficient cash flow from operations in fiscal 2002 to repay approximately \$75 million of debt in fiscal 2002, which is significantly in excess of current maturities of long-term debt of \$11.8 million for fiscal 2002. Fiscal 2001 operating cash flow was negatively impacted by the ramp-up in production of the multi-year MTRV contract and by the initial effect of certain domestic refuse sales and related receivables which were outstanding at the end of fiscal 2001, which carried longer payment terms as noted above. The Company expects that these factors should not negatively impact fiscal 2002 cash flow, and further, collection of receivables is expected to improve cash flow from operations in fiscal 2002. In addition, the Company has implemented actions intended to reduce inventories in fiscal 2002. Through December 31, 2001, these initiatives have enabled the Company to repay \$40 million of its \$75 million debt reduction target for fiscal 2002. The Company expects capital spending in fiscal 2002 to be no more than \$25.0 million, which includes estimated capital expenditures associated with recent acquisitions.

The expectations with respect to projected sales, costs, earnings and debt levels in this "Fiscal 2002 Outlook" are forward-looking statements and are based in part on certain assumptions made by the Company, some of which are referred to in, or as part of, the forward-looking statements. These assumptions include, without limitation, the Company's estimates for concrete placement activity, housing starts and the U.S. and European economies generally; the Company's expectations as to when it will receive sales orders and payments; the Company's ability to achieve cost reductions, including in its fire and emergency and domestic refuse businesses; the anticipated level of sales and margins associated with the Family of Heavy Tactical Vehicles contract, international defense truck sales and full-rate production under the MTRV program; the Company's estimates for capital expenditures of municipalities for fire and emergency and refuse products and of commercial waste haulers; the expected level of sales and operating income of, and success of integration measures relating to, the Geesink Norba Group; the Company's ability to sustain market share gains by its fire and emergency and refuse products businesses; the Company's planned spending on product development and bid and proposal activities for defense program competitions; anticipated increased defense spending as a result of the war on terrorism; the Company's estimates for debt levels and associated interest costs; and that the Company does not complete any acquisitions. The Company 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 the Company's ability to achieve the forward-looking statements.

Item 3. Quantitative and Qualitative Disclosure of Market Risk

The Company's quantitative and qualitative disclosures about market risk for changes in interest rates and foreign exchange risk are incorporated by reference in Item 7A of the Company's Annual Report on Form 10-K for the year ended September 30, 2001 and have not materially changed since that report was filed.

OSHKOSH TRUCK CORPORATION

PART II. OTHER INFORMATION
FORM 10-Q
DECEMBER 31, 2001

ITEM 1 LEGAL PROCEEDINGS

None.

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

Current Report on Form 8-K dated November 1, 2001, reporting the announcement of the Company's earnings for the fourth quarter and the fiscal year ended September 30, 2001.

SIGNATURES

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

OSHKOSH TRUCK CORPORATION

February 14, 2002

/S/ R. G. Bohn

*R. G. Bohn
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)*

February 14, 2002

/S/ C. L. Szews

*C. L. Szews
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)*

February 14, 2002

/S/ T. J. Polnaszek

*T. J. Polnaszek
Vice President and Controller
(Principal Accounting Officer)*

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