OSHKOSH CORP

FORM 8-K
(Current report filing)

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Address	2307 OREGON ST P O BOX 2566 OSHKOSH, WI 54903
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):	February 2, 2007

Oshkosh Truck 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 February 2, 2007, Oshkosh Truck Corporation (the "Company") issued a press release (the "Press Release") announcing its earnings for the first quarter ended December 31, 2006 and its revised outlook for fiscal 2007. A copy of such press release is furnished as Exhibit 99.1 and is incorporated by reference herein.

On February 2, 2007, the Company held a conference call in connection with the Company's announcement of its earnings for the first quarter ended December 31, 2006 and its revised outlook for fiscal 2007. 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.oshkoshtruckcorporation.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 web site (the "Slide Presentation") or provided in the conference call and related question and answer session speaks only as of February 2, 2007. 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 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" 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 Truck 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. Such assumptions include, without limitation, those relating to our ability to integrate JLG Industries, Inc. ("JLG"), Oshkosh Specialty Vehicles and Iowa Mold Tooling Co., Inc. and achieve targeted sales, operating income and synergies for each acquisition; our ability to turn around the Geesink Norba Group and Medtec businesses sufficiently to support their current valuations resulting in no non-cash impairment charges for goodwill; our ability to grow our operating income in certain of our businesses despite anticipated lower industry demand resulting from changes to diesel engine emissions standards effective January 1, 2007; our estimates for the level of concrete placement activity, housing starts, non-residential construction spending and mortgage rates; the performance of the U.S. and European economies generally; 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; 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 Medium Tactical Vehicle Replacement follow-on contract, the Logistics Vehicle System Replacement contract and international defense truck contracts; the expected level and timing of U.S. Department of Defense procurement of replacement parts and services and funding thereof; our estimates for capital expenditures of rental and construction companies for JLG's products, of municipalities for fire and emergency and refuse products, 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; our estimates of the impact of changing fuel prices and credit availability on capital spending of towing operators; our planned spending on product development and bid and proposal activities with respect to defense truck procurement competitions and the outcome of such competitions; the expected level of commercial "package" body and purchased chassis sales compared to "body only" sales; anticipated levels of capital expenditures; our estimates for costs relating to litigation, product warranty, product liability, insurance, stock options and restricted stock awards, personnel and raw materials; our estimates for debt levels, interest rates, working capital needs and effective tax rates; and that we do not complete any further 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 and 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. In addition, JLG's business is highly seasonal with the majority of its sales occurring in the spring and summer months, which constitute the traditional construction season. 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. Concrete mixer sales also are highly seasonal with the majority of such sales

occurring in the spring and summer months, which constitute the traditional construction season. Domestic and European refuse markets are also highly cyclical and impacted by the strength of the economy generally and municipal tax receipts. Fire and emergency markets are modestly cyclical and are impacted by the economy generally and municipal tax receipts. If these markets face downturns, then there could be a material adverse effect on our net sales, financial condition, profitability and/or cash flows. Furthermore, our commercial business saw an increase in orders in fiscal 2006 as customers pre-purchased truck chassis in anticipation of changes in diesel engine emissions standards effective January 1, 2007, which we believe is likely to result in a reduction in sales beginning in the third quarter of fiscal 2007.

Additionally, the recent surge in our defense business is 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.

We may not be able to successfully integrate the acquisition of JLG, which may have a material adverse impact on our future growth and operating performance.

Realization of the sales, operating income and synergy targets for the JLG acquisition will require integration of JLG's sales and marketing, distribution, manufacturing, engineering and administrative organizations. JLG is a complex, global business. The successful integration of JLG will require substantial attention from our management team. The diversion of management attention, as well as any other difficulties we may encounter in the integration process, could have a material adverse effect on our net sales, financial condition, profitability and/or cash flows. We cannot provide any assurance that we will be able to integrate the operations of JLG successfully, that we will be able to realize anticipated synergies from the acquisition or that we will be able to operate the JLG business as profitably as anticipated after the acquisition.

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 $3.3 billion of debt outstanding as of December 31, 2006, and we expect our borrowings to increase over the next three to six months due to seasonal working capital fluctuations before declining to $3.1 to $3.2 billion by September 30, 2007. 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 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.
- 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 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 are also currently experiencing difficulties with sourcing sufficient vehicle carcasses to maintain our defense truck remanufacturing schedule, which creates uncertainty for this area of our business in the short-term.

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.

During fiscal 2004 and 2005, the Geesink Norba Group operated at a loss due to the weak European economy, declines in selling prices in its markets, operational inefficiencies and increased material, labor and warranty costs related to the launch of a new Geesink-branded rear loader. Although the Geesink Norba Group operated at a profit in fiscal 2006 and we have taken steps to turn around the business of the Geesink Norba Group, including 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 cannot provide any assurance that the Geesink Norba Group will continue to operate profitably or that such activities will be successful. In the first quarter of fiscal 2007, slowing demand in the United Kingdom, chassis supply issues in France and some market share losses delayed the Geesink Norba Group turn around, and it is possible that this trend will continue throughout fiscal 2007. In addition, we may incur costs to continue to implement any such turn around beyond our current expectations for such costs. 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.

If we are unable to successfully introduce or produce the Revolution® composite concrete mixer drum, then the revenues and earnings of our commercial segment may be adversely impacted.

We have made and will continue to make significant investments in technology and manufacturing facilities relating to the Revolution composite concrete mixer drum product, and we anticipate that this product will contribute to growth in revenues and earnings of our commercial segment. However, we cannot provide any assurance that such growth will result. Without limitation:

- The Revolution drum is a new product in the concrete placement market that uses new technology, and we cannot provide any assurance that the concrete placement market will broadly accept this product.
- Even if market demand for the Revolution drum meets our expectations, we may not be able to sustain high volume production of this product at projected costs and on projected delivery schedules, which could result in lower profits or net losses relating to this product.

- Our plans include taking additional actions and making additional investments to introduce different versions of the Revolution drum and to introduce the product in markets outside the United States, and there will be additional risks associated with these efforts.

- We cannot provide any assurance that competitors will not offer products in the future that compete with the Revolution drum, which would impact our ability to sell this product at targeted prices.

- Because the Revolution drum is a new product, we have experienced and may continue to experience higher costs for warranty and other product related claims.

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

For the fiscal year ended September 30, 2006, approximately 17.7% of our net sales were attributable to products sold outside of the United States, and JLG had $610.7 million of revenues from outside of the United States in its fiscal year ended July 31, 2006. 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. 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 orders in backlog that are denominated in Euros, U.K. Pounds Sterling and other currencies and certain agreements with subcontractors denominated in these currencies, which will subject us to foreign currency transaction risk to the extent they are not hedged. Our acquisition of JLG has increased our exposure to foreign currency transaction risk as JLG generates a significant portion of its revenues in foreign currencies, including Euros, U.K. Pounds Sterling and other currencies. 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 and the U.K. Pound Sterling, 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.

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.

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.

As a result of our acquisition of JLG, 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 receivables 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. As of December 31, 2006, approximately 98% of our customer notes

receivable were due from two customers and approximately 76% of our third party debt guarantee obligations related to three 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.

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.

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 Truck Corporation Press Release dated February 2, 2007.

(99.2) Script for conference call held February 2, 2007.

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 TRUCK CORPORATION

Date: February 2, 2007

By: /s/ Charles L. Szews
Charles L. Szews
Executive Vice President and
Chief Financial Officer

OSHKOSH TRUCK CORPORATION

Exhibit Index to Current Report on Form 8-K
Dated February 2, 2007

Exhibit

Number	
(99.1)	Oshkosh Truck Corporation Press Release dated February 2, 2007.
(99.2)	Script for conference call held February 2, 2007.

FOR IMMEDIATE RELEASE

For more information contact: Financial: Patrick N. Davidson
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OSHKOSH TRUCK REPORTS FIRST QUARTER EPS OF $0.55

- **FIRST $1 BILLION REVENUE QUARTER IN COMPANY'S HISTORY**
- **PROGRESS CONTINUING ON INTEGRATION OF JLG INDUSTRIES, INC.**
- **INCREASES FISCAL 2007 EPS ESTIMATE RANGE TO $3.15 - $3.25**

OSHKOSH, WIS. (February 2, 2007) – Oshkosh Truck Corporation (NYSE: OSK), a leading manufacturer of specialty vehicles and vehicle bodies, today reported that for its first quarter of fiscal 2007, earnings per share ("EPS") was $0.55, on sales of $1.0 billion and net income of $41.2 million. These results compare with EPS of $0.72 on sales of $790.3 million and net income of $53.1 million for last year's first quarter. Oshkosh's EPS exceeded the Company's most recent earnings estimate range of $0.35 — $0.40 per share. This estimate range included an estimated $0.15 per share dilution to EPS from the acquisition of JLG Industries, Inc. ("JLG") on December 6, 2006 for $3.1 billion. Actual dilution in the first quarter from the acquisition of JLG was $0.13 per share.

The Company also today increased its earnings per share estimate range for fiscal 2007 to $3.15 — $3.25 per share, which includes an estimated $0.10 per share accretion to EPS from the acquisition of JLG for the fiscal year. JLG forms the Company's newest segment, access equipment.

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Commenting on the results, Robert G. Bohn, chairman, president and chief executive officer, said, "While our existing businesses performed ahead of our expectations, the most exciting news during the quarter was our closing on the acquisition of JLG Industries, which becomes another important business segment within Oshkosh. JLG is the world leader in aerial work platforms and telehandlers and is led by a strong operating team supported by an outstanding workforce. Our integration work is well underway, and we continue to work hard with the JLG team as they become a core component of our great company. We believe that JLG will be about $0.10 accretive to EPS in fiscal 2007 and significantly more accretive to EPS in fiscal 2008."

In the first quarter of fiscal 2007, sales increased 27.4 percent. Sales grew in the Company's fire and emergency and commercial segments, while the Company's defense segment sales declined due to a decrease in parts and service sales. The Company's new access equipment segment contributed sales of $117.7 million.

Operating income decreased 3.9 percent to $83.6 million, or 8.3 percent of sales. Operating income grew at double-digit and triple-digit percentages in the fire and emergency and commercial segments, respectively, while the defense segment experienced a decrease in operating income as a result of the decrease in sales. The Company's access equipment segment contributed operating income of $2.4 million. Net income was down 22.4 percent to $41.2 million, or $0.55 per share, in the first quarter. The decrease in earnings compared to the prior year quarter was driven primarily by the decrease in defense sales and operating income and the timing of the JLG acquisition. Due to the impact of certain purchase accounting adjustments and the closing of the JLG acquisition during the seasonally slow holiday period, the acquisition of JLG was dilutive to EPS for the first quarter of fiscal 2007 by $0.13.

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Bohn concluded, "While our defense business softened in the first quarter, we expect to gradually increase daily defense truck production in the second half of fiscal 2007. Daily production should peak at about 35 percent higher than current levels. Recent strong federal funding to recapitalize equipment operating in Iraq is supporting this production increase. This should be an important driver for growth for both fiscal 2007 and 2008."

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

Access equipment— Access equipment segment sales were $117.7 million for the quarter while operating income was $2.4 million, or 2.0 percent of sales. Access equipment sales represent sales by JLG from December 6, 2006, the date of acquisition, through the end of the first quarter. These results included charges of $3.5 million related to the revaluation of inventory at the acquisition date of JLG and $3.8 million related primarily to the amortization of intangible assets. "While the effects of purchase accounting and the timing of the JLG acquisition adversely impacted first quarter performance of the new access equipment segment, we are optimistic about the longer term opportunities for this

business," said Bohn.

Defense— Defense segment sales decreased 14.2 percent to $311.7 million for the quarter compared to the prior year's first quarter due to a decrease in parts and service sales. During the fourth quarter of fiscal 2006 and continuing in the first quarter of fiscal 2007, the Company experienced a softer market for its parts and service business due to completion of certain armor contracts and a curtailment in purchases by the U.S. Department of Defense ("DoD") toward the end of the federal government's fiscal year. Sales of new and remanufactured trucks were down slightly versus the comparable prior year quarter as an increase in sales of medium-payload trucks nearly offset a decrease in remanufactured and new heavy-payload trucks.

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Operating income in the first quarter was down 24.8 percent to $54.6 million, or 17.5 percent of sales, compared to the prior year quarter operating income of $72.6 million, or 20.0 percent of sales. The decrease was primarily due to an unfavorable mix of truck sales, lower parts and service sales and higher new product development as well as bid and proposal spending.

Fire and emergency— Fire and emergency segment sales increased 22.9 percent to $266.0 million for the quarter compared to the prior year quarter. Operating income was up 17.3 percent to $24.5 million, or 9.2 percent of sales, compared to the prior year quarter operating income of $20.9 million, or 9.7 percent of sales. The acquisition of AK Specialty Vehicles (subsequently rebranded Oshkosh Specialty Vehicles ("OSV")) contributed sales and operating income totaling $28.7 million and $1.7 million, respectively, in the quarter. The 9.6 percent increase in sales for other businesses in the segment reflected double-digit percentage increases in sales of domestic fire apparatus, wreckers and carriers and airport products offset in part by lower Italian fire apparatus sales. Operating income margin for the segment declined slightly due to operating losses at the Company's domestic ambulance and international fire apparatus businesses offset in part by an improved margin at the Company's domestic fire apparatus business.

Commercial— Commercial segment sales increased 44.2 percent to $319.0 million in the first quarter compared to the prior year quarter. Operating income increased 150.3 percent to $20.8 million, or 6.5 percent of sales, compared to $8.3 million, or 3.8 percent of sales, in the prior year quarter. The acquisition of Iowa Mold Tooling Co., Inc. ("IMT") contributed sales and operating income totaling $27.6 million and $3.6 million, respectively, in the quarter. The 31.8 percent increase in sales for other businesses in the segment was largely driven by higher unit sales volume at the Company's domestic operations in advance of 2007 diesel engine emissions standards changes, which more than offset lower sales at the Company's European refuse business. The increase in operating income was largely due to higher pricing and higher production volumes in North America offset in part by a loss sustained at the Company's European refuse operations. The Company's European refuse operations had an operating loss of $4.2 million in the first quarter of fiscal 2007 compared with operating income of $0.9 million in the first quarter of fiscal 2006. The operating loss resulted from low unit volumes due to unfavorable market conditions in the United Kingdom, the lack of available chassis for mounting refuse packers in France and some market share losses.

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Corporate and other— Operating expenses and inter-segment profit elimination increased $3.9 million to $18.7 million. The increase in the first quarter was largely due to higher professional services and integration costs associated with the acquisition of JLG. Interest expense net of interest income for the quarter increased $19.8 million to $20.1 million compared to the prior year quarter. Higher interest costs were due to additional acquisition-related debt primarily for the acquisition of JLG.

The provision for income taxes in the first quarter decreased to 36.0 percent of pre-tax income compared to 39.0 percent of pre-tax income in the prior year quarter. The lower effective tax rate reflects the impacts of the JLG acquisition and the reinstatement of the federal research and development tax credit.

Total debt rose $3.2 billion during the first quarter to $3.3 billion at December 31, 2006 due primarily to borrowings used to fund the acquisition of JLG. In addition, the first quarter of each fiscal year historically has higher seasonal working capital requirements.

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Dividend Announcement

Oshkosh Truck 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 February 26, 2007, to shareholders of record as of February 16, 2007.

The Company will comment on first quarter earnings and expectations for the remainder of fiscal 2007 during a conference call at 9:00 a.m.

Eastern Standard Time this morning. Viewer-controlled slides for the call will be available on the Company's website beginning at 8:00 a.m. Eastern Standard Time this morning. The call will be webcast simultaneously over the Internet. To access the webcast, investors should go to www.oshkoshtruckcorporation.com at least 15 minutes prior to the event and follow 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 Truck Corporation is a leading designer, manufacturer and marketer of a broad range of specialty access equipment, military, commercial and fire and emergency vehicles and vehicle bodies. Oshkosh's products are valued worldwide by rental and construction companies, defense forces, fire and 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.

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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, that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the challenges of integrating the acquired JLG, OSV and IMT businesses; the consequences of financial leverage associated with the JLG acquisition; the Company's ability to turn around its Geesink Norba Group and Medtec businesses; the cyclical nature of the Company's access equipment, commercial and fire and emergency markets; risks related to reductions in government expenditures and the uncertainty of government contracts; the availability of defense truck carcasses for remanufacturing; the success of the Revolution ® composite concrete mixer drum; risks associated with international operations and sales, including foreign currency fluctuations; and risks related to the collectibility of access equipment receivables. In addition, the Company's expectations for fiscal 2007 are based in part on certain assumptions made by the Company, including without limitation, those relating to the Company's ability to integrate JLG, OSV and IMT and achieve targeted sales, operating income and synergies for each acquisition; the Company's estimates of non-cash purchase accounting adjustments relating to the JLG acquisition; the Company's ability to turn around the Geesink Norba Group and Medtec businesses sufficiently to support their current valuations resulting in no impairment charges for goodwill;

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the Company's ability to grow its operating income in certain of its businesses despite anticipated lower industry demand resulting from changes to diesel engine emissions standards effective January 1, 2007; 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. and European economies generally; 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 anticipated level of production and margins associated with the Family of Heavy Tactical Vehicles contract, the Indefinite Demand/Indefinite Quantity truck remanufacturing contract, the Medium Tactical Vehicle Replacement follow-on contract, the Logistics Vehicle System Replacement contract and international defense truck contracts; the expected level and timing of U.S. Department of Defense procurement of replacement parts and services and funding thereof; the Company's estimates for capital expenditures of rental and construction companies for JLG's products, of municipalities for fire and emergency and refuse products, 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 Company's estimates of the impact of changing fuel prices and credit availability on capital spending of towing operators; the Company's planned spending on product development and bid and proposal activities with respect to defense truck procurement competitions and the outcome of such competitions; the expected level of commercial "package" body and purchased chassis sales compared to "body only" sales; anticipated levels of capital expenditures; the Company's estimates for costs relating to litigation, product warranty, product liability, insurance, stock options and restricted stock awards, bad debts, personnel and raw materials; the Company's estimates for debt levels, interest rates, working capital needs and effective tax rates; and that the Company does not complete any further 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.

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OSHKOSH TRUCK CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended December 31,	
	2006	2005
	(In millions, except per share amounts)	
Net sales	$ 1,006.8	$ 790.3
Cost of sales	834.1	641.4
Gross income	172.7	148.9
Operating expenses:		
Selling, general and administrative	82.0	60.0
Amortization of purchased intangibles	7.1	1.9
Total operating expenses	89.1	61.9
Operating income	83.6	87.0
Other income (expense):		
Interest expense	(20.8)	(1.8)
Interest income	0.7	1.5
Miscellaneous, net	(0.4)	(0.2)
	(20.5)	(0.5)
Income before provision for income taxes, equity in earnings of unconsolidated affiliates and minority interest	63.1	86.5
Provision for income taxes	22.7	33.7
Income before equity in earnings of unconsolidated affiliates and minority interest	40.4	52.8
Equity in earnings of unconsolidated affiliates, net of income taxes	1.0	0.6
Minority interest, net of income taxes	(0.2)	(0.3)
Net income	$ 41.2	$ 53.1
Earnings per share		
Basic	$ 0.56	$ 0.73
Diluted	$ 0.55	$ 0.72
Basic weighted average shares outstanding	73,355	73,049
Effect of dilutive securities:		
Stock options and incentive compensation awards	1,193	1,088
Diluted weighted average shares outstanding	74,548	74,137

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CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2006	September 30, 2006
	(In millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 39.3	$ 22.0
Receivables, net	627.2	317.9
Inventories, net	1,060.8	589.8
Deferred income taxes	83.2	53.2
Other current assets	76.2	20.5
Total current assets	1,886.7	1,003.4
Investment in unconsolidated affiliates	26.6	19.3
Property, plant and equipment	594.9	416.8
Less accumulated depreciation	(195.7)	(184.9)
Property, plant and equipment, net	399.2	231.9
Goodwill, net	2,416.7	558.7
Purchased intangible assets, net	1,196.1	219.2
Other long-term assets	171.9	78.4
Total assets	$ 6,097.2	$ 2,110.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Revolving credit facility and current maturities of long-term debt	$ 301.1	$ 87.5
Accounts payable	390.9	236.5
Customer advances	292.8	266.7
Floor plan notes payable	48.8	48.4
Payroll-related obligations	82.6	59.4
Income taxes payable	2.6	12.8
Other current liabilities	276.4	170.7
Total current liabilities	1,395.2	882.0
Long-term debt, less current maturities	3,031.6	2.2
Deferred income taxes	437.2	100.0
Other long-term liabilities	120.7	61.0
Commitments and contingencies		
Minority interest	4.1	3.8
Shareholders' equity	1,108.4	1,061.9
Total liabilities and shareholders' equity	$ 6,097.2	$ 2,110.9

-Continued-

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

	Three Months Ended December 31,	
	2006	2005
	(In millions)	
Operating activities:		

Net income	$ 41.2	$ 53.1
Non-cash and other adjustments	17.6	8.6
Changes in operating assets and liabilities	(88.1)	(94.4)
Net cash used by operating activities	(29.3)	(32.7)
Investing activities:		
Acquisition of businesses, net of cash acquired	(3,124.8)	--
Additions to property, plant and equipment	(8.2)	(12.9)
Additions to equipment held for rental	(3.5)	--
Proceeds from sale of property, plant and equipment	0.1	--
Proceeds from sale of equipment held for rental	0.1	--
Distribution of capital from unconsolidated affiliates	0.3	--
Decrease in other long-term assets	0.4	--
Net cash used by investing activities	(3,135.6)	(12.9)
Financing activities:		
Issuance of long-term debt	3,100.0	--
Debt issuance costs	(33.5)	--
Repayment of long-term debt	(0.3)	(0.2)
Net borrowings (repayments) under revolving credit facility	119.7	(0.6)
Proceeds from exercise of stock options	1.5	2.5
Excess tax benefits from stock-based compensation	1.9	2.9
Dividends paid	(7.4)	(5.0)
Net cash provided (used) by financing activities	3,181.9	(0.4)
Effect of exchange rate changes on cash	0.3	(0.5)
Increase (decrease) in cash and cash equivalents	17.3	(46.5)
Cash and cash equivalents at beginning of period	22.0	127.5
Cash and cash equivalents at end of period	$ 39.3	$ 81.0
Supplementary disclosure:		
Depreciation and amortizatio n	$ 18.7	$ 8.6

-Continued-

OSHKOSH TRUCK CORPORATION
SEGMENT INFORMATION
(Unaudited)

	Three Months Ended December 31,	
	2006	2005
	(In millions)	
Net sales to unaffiliated customers:		
Access equipment	$ 117.7	$ --
Defense	311.7	363.1
Fire and emergency	266.0	216.4
Commercial	319.0	221.2
Intersegment eliminations	(7.6)	(10.4)
Consolidated	$ 1,006.8	$ 790.3
Operating income (loss):		

Access equipment	**$ 2.4**	**$ --**
Defense	**54.6**	**72.6**
Fire and emergency	**24.5**	**20.9**
Commercial	**20.8**	**8.3**
Corporate and other	**(18.7)**	**(14.8)**
Consolidated	**$ 83.6**	**$ 87.0**
Period-end backlog:		
Access equipment	**$ 1,181.3**	**$ --**
Defense	**859.4**	**1,021.9**
Fire and emergency	**692.0**	**554.2**
Commercial	**371.7**	**361.0**
Consolidated	**$ 3,104.4**	**$ 1,937.1**

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Pat Davidson

Thank you and good morning. Earlier today we published our first quarter results for fiscal 2007. A copy of the release is available on our website at www.oshkoshtruckcorporation.com . Today's call is being broadcast live via the Internet at our website and is accompanied by a slide presentation, also available on our website. Later today, an audio replay of this call will be posted to the site. The replay and slide presentation will be available on the web for approximately 12 months. Please now refer to slide 2 of that slide presentation and read it at your convenience.

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 such estimates during our fourth quarter earnings conference call on October 31, 2006, except for references to previous estimates of earnings per share which refer to adjusted estimates reported in a December 6, 2006 press release announcing the closing of the acquisition of JLG Industries, Inc. ("JLG").

Presenting today are Bob Bohn, Chairman, President and Chief Executive Officer of Oshkosh Truck and Charlie Szews, Executive Vice President and Chief Financial Officer of Oshkosh Truck and President of our subsidiary, JLG.

Let's get started by turning to slide 3 and I'll hand it over to Bob.

Bob Bohn

Thank you, Pat. Good morning everyone and thank you for joining us.

Oshkosh Q1 2007 Highlights

This was a very significant and special quarter for us as we closed on the largest single acquisition in this Company's great history. It represents an important piece of our continuing growth strategy. Later, we'll talk more about the acquisition of JLG, but I can tell you that I am very happy with the initial results and teamwork that we are seeing as we progress on the integration. The teams are off to a great start.

For the quarter, we were able to outperform the expectations that we set out for ourselves in our last conference call with you back on October 31st and as modified in our press release to announce the closing of the acquisition of JLG.

I want to salute everyone who contributed to our first ever $1 billion quarter. Our revenues were up 27.4% to $1.01 billion. We expect to surpass this level each quarter going forward.

Our operating income declined slightly to $83.6 million, or down 3.9%. This performance is $0.15 better than the high end of our updated earnings guidance issued on December 6th to reflect the acquisition of JLG.

Earnings per share came in at $0.55, or 23.6% lower than in last year's first quarter. We reflected in our December 6th press release that we expected the JLG acquisition to reduce earnings in the quarter by about $0.15 per share, and in fact it was about $0.13 dilutive for the quarter. This was due to charges relating to purchase accounting adjustments and a very short period of time for JLG to ship products during the quarter, as we owned them for just more than 2 weeks worth of shipping days, just ahead of the holidays. Charlie will talk in more detail about this later.

We remain confident in JLG's business and expect it to be accretive in 2007, despite the EPS dilution in the first quarter. In fact, we are raising our guidance range by $0.10 for the fiscal year to a range of $3.15 to $3.25 to reflect the expected accretion from the JLG acquisition in fiscal 2007. In fiscal 2008, we expect the acquisition will be much more accretive to earnings.

I would also like to point out that the First Call mean for our first quarter earnings did not include the impact of JLG for the quarter. Most of the sellside analysts surveyed by First Call did not include the expected impact from JLG in their first quarter estimates. So, the $0.13 dilution must be considered when comparing our earnings to such estimates. If we were to eliminate the JLG dilution effect, we would be announcing a first quarter EPS figure that is $0.13 higher today. But we didn't buy JLG for today, we bought it for tomorrow, next week, next year and the next 10 years. We bought an exceptional company for the future and we are excited about that future.

Before I speak in detail on JLG, let me first review the highlights from our historic three business segments.

Please turn to slide 4.

Defense

As we told you on the last call, we anticipated that the timing of some contracts and delivery schedules would cause our first quarter defense results to be down compared with last year's first quarter. This was indeed the case; however, our outlook is strong with significant funding for Oshkosh in the 2007 federal budget and supplemental bill, and in recent disclosures by the executive branch for proposed supplemental funding requirements in the spring of 2007. We expect that contract requirements that could come from this would mostly impact our fiscal 2008 and 2009 years.

Getting back to 2007, while the first quarter was weaker for defense, we expect that the back half of the year will be up sharply. As a result, we are hiring employees in Oshkosh and gradually increasing daily defense truck production in the second half of fiscal 2007. Daily production should peak at about 35% higher than today's levels. This, based on the expected additional funding, should drive stronger growth in the second half of fiscal 2007.

Remanufacturing, which was incredibly strong in the first quarter of fiscal 2006, was lower in this year's first quarter. We expect remanufacturing activity to pick up in the second half of the fiscal year. Likewise, we anticipate the parts and service business will begin to pick up, but we do expect it to be down for full fiscal year 2007 compared to last year.

We submitted a proposal on the U.S. Marine Corps MRAP program. MRAP stands for Mine Resistant Ambush Protected and is a transport vehicle for the Marines to use in the theater of operations. Our proposal was based on the Bushmaster design. We are one of several companies that received small initial awards under the MRAP competition. We are building four prototype vehicles that will be tested by the U.S. Marine Corps over the next few months. The bid process will be very competitive, but we are hopeful about this potential opportunity.

Please turn to slide 5.

Fire & Emergency

Pierce has begun fiscal 2007 with a strong start as the success of our $18.5 million investment to expand and improve the production flow in our Industrial Park Plant at Pierce was evident in our strong fire apparatus deliveries.

The two new custom fire chassis we introduced this past September at the Fire-Rescue International show, the Velocity™ and the Impel™, have generated a lot of interest, and we have been accepting orders for them. We expect to begin delivering the models in our fiscal fourth quarter.

Before I leave our fire and emergency segment, I want to mention the performance of Oshkosh Specialty Vehicles. In addition to strong sales that we enjoyed in the first quarter, we have made some changes. We have renamed and rebranded this recent acquisition as Oshkosh Specialty Vehicles from AK Specialty Vehicles. This allows us to leverage Oshkosh's strong reputation and brand equity among this subsidiary's specialized end markets. The integration of OSV is continuing and we are happy with the progress.

Please turn to slide 6.

Commercial

As expected, the rush to purchase products with 2006 engines ahead of the changes in emissions standards in calendar 2007 pulled forward many purchases. We are also continuing to feel the benefits of our many lean activities in the improvement of our operations.

We continue to work hard at our European subsidiary, the Geesink Norba Group, to improve operations, but are still facing some challenges with weaker demand in the UK, chassis supply issues in France and some market share losses that led us to report an operating loss in this business in the first quarter. Orders for our second quarter look better and we expect to be profitable then. Improving our cost structure continues to be a major area of focus for us in this business and we are making progress.

We are realizing synergies with our IMT acquisition and are pleased with the progress of our integration work.

We are happy to have completed the final phase of our ERP installation at McNeilus. This was a very substantial challenge. I congratulate Mike Wuest and his staff for strong execution on an initiative that we expect to further contribute to our ability to execute at McNeilus.

Please turn to slide 7.

Strategic Rationale for JLG

Following that brief run through of our traditional business segments, now let's talk about our newest company, JLG Industries. As I have told many of you listening right now, we think this is a great company and we expect that it will contribute strongly to our success going forward.

We bought JLG because of its market leadership, outstanding products and strong future prospects as the world leader in aerial work platforms and telehandlers. JLG will help us to achieve our objectives of:

- An annual sales growth rate of at least 15%,
- Diversification of our business offerings which complement our growing defense business,
- Scale in procurement, technology and in global reach,
- And finally, we believe it will achieve our longstanding criteria for acquisitions by contributing to earnings accretion in its first full year of Oshkosh ownership.

Please turn to slide 8.

JLG Meeting Expectations

Let's talk about how we see JLG in our first month and a half of ownership.

We have had some productive meetings and contract signings with our key customers. We have also been able to work effectively with our sales force and customer base in implementing annual price increases. This is not insignificant as it requires strong communication and a strong value proposition, which JLG offers. We expect the mix of product to include a stronger percentage of aerial work platforms, as that market continues to stay hot. We do not believe that telehandler sales, which track more than aerial work platforms with the residential construction market, will be as strong as aerial work platform sales in 2007.

We are also beginning to realize scale in our purchasing and service operations that was a key driver for Oshkosh's acquisition of JLG. And our similar cultures are permitting our integration teams to make solid progress against their 100 day goals. To go into the integration a little more, I'm going to turn it over to my partner Charlie, who is leading the activities as president of JLG while also retaining his responsibilities as the CFO of Oshkosh Truck.

Please turn to slide 9.

Integration Activities

Thanks Bob. It's been a great start to the integration of JLG with the formation of our value creation and back office teams. These teams are comprised of individuals from both JLG and Oshkosh, who are in influential and leadership positions. I am very happy with the cooperation from all parties involved, which is attributable to the common corporate culture that we share. Both JLG and Oshkosh are known for pioneering performance enhancing product features for their customers. We deliver premium, high quality products and then provide superior aftermarket support. And, we do it all with high integrity. That common focus has made the integration much easier.

We've retained the key executives that have driven the success of JLG and augmented that team in select areas to move JLG forward. This team has been and will continue to be essential as we work towards delivering on the targets of our 100 day goals.

We have created focus for management and our integration teams to drive forward to achieve our growth objectives, and while we are not going to disclose them at this time, we believe we have assembled the team and resources needed to achieve those goals.

Regarding the synergies that we targeted for fiscal 2007, leveraging procurement and G&A costs, we have already taken the actions we expect are necessary to achieve those targets.

Now, please turn to slide 10.

Driving JLG Forward

As we continue to develop and enhance our knowledge of the JLG market segments, we will run this company as a growth business just as we have run Oshkosh for the last decade. Delivering strong value to our customers is our number one integration priority. If we do that, we expect growth and synergy achievement to follow. As such, Bob and I personally have been, and will continue, meeting with customers on an on-going basis. And, we will make changes over time that further improve our customers' experiences with JLG.

In addition, we expect to deliver against sales, earnings and synergies targets for 2007 and 2008. We will create velocity in our drive to achieve our 100 day goals, and we will do this while building on a strong foundation and implementing best practices throughout the Company.

With our combination of organic and acquired growth, we have been successful over the past decade and we are confident in our ability to build on that success with JLG as an Oshkosh company.

Consolidated Results

Now, please turn to slide 11 and I'll put my CFO hat back on and talk about the quarter from an Oshkosh perspective. Consolidated net sales of $1.01 billion were up 27.4%. Access equipment contributed sales of $117.7 million, which helped to offset an anticipated decline in defense revenues, which was communicated during last quarter's conference call. Operating income was down 3.9% and EPS followed with $0.55, or a 23.6% decline. This was primarily due to the slow start in the defense business in the first quarter and the $0.13 dilution from the JLG acquisition. It is important to note, however, that we believe that JLG will be about $0.10 accretive to earnings for the fiscal year.

Corporate operating expenses rose $3.9 million to $18.7 million in the first quarter of fiscal 2007 compared to the first quarter of fiscal 2006 largely due to higher professional services and JLG integration costs.

The effective income tax rate decreased to 36.0% for the first quarter of fiscal 2007 due to tax benefits associated with the acquisition of JLG and the reinstatement of the federal research and development tax credit.

As Bob mentioned earlier, we did see some very strong performance in our fire and emergency and commercial segments, notably from the Pierce and McNeilus companies.

Let's look more closely into segment performance.

Please turn to slide 12.

Access Equipment

As Bob mentioned, acquiring JLG on December 6 th meant that we incurred about three and a half weeks of costs and interest expense that matched against less than two weeks of shipments totaling $117.7 million. The shipping period was lower due to a holiday shutdown. Considering both the operating income in the business of $2.4 million (which reflected $7.3 million of purchase accounting adjustments) and $18 million of interest costs, JLG was $0.13 dilutive to the first quarter. This was $0.02 better than we projected in our December 6 th guidance update and, as I mentioned earlier, we believe JLG will be accretive for the full year.

The backlog for access equipment was $1.18 billion, which was up 8.7% compared to December 31, 2005. This increase was driven primarily by a stronger market in Europe.

Please turn to slide 13.

Defense

Defense continues to be a solid business, but the timing of shipments and planned deliveries is not always smooth. We had lower remanufacturing, armor and service sales during the quarter, but we do expect sales to pick up in the back half of the fiscal year. Net sales were down 14.2%, while operating income was down 24.8%.

Furthermore, while we expect recent supplemental funding requests to yield large orders for our defense products, not all of the business is yet under contract. The renewal of our Family of Heavy Tactical Vehicle (FHTV) contract was delayed past December 31 st , which adversely impacted the backlog this quarter. Consequently, backlog was down 15.9% compared to December 31, 2005 but it should rise in coming quarters.

Please turn to slide 14.

Fire & Emergency

Turning to fire and emergency, we saw sales increase 22.9% and operating income rise 17.3%, led by strong performances from Pierce, Airport Products and JerrDan, and aided by $28.7 million of sales from Oshkosh Specialty Vehicles, which is new this year as a recent acquisition. These results offset lower sales at our international fire apparatus business in Italy. Margins were slightly lower due to operating losses at the Company's domestic ambulance and international fire apparatus businesses offset by improved margins at Pierce, our domestic fire apparatus business. We have now stabilized the ambulance business following the unfortunate misstatement corrections in the fourth quarter and that business should improve going forward. We believe that we now have adequate controls in place for our ambulance business. The backlog for the fire and emergency segment was up 24.9% compared to December 31, 2005. Backlog for businesses other than Oshkosh Specialty Vehicles rose 16.5% compared to December 31, 2005.

Please turn to slide 15.

Commercial

Wrapping it up with the commercial segment, we experienced strong sales in the U.S., with our McNeilus subsidiary. This led to a 44.2% rise in segment sales for the quarter. Pricing and operations initiatives continue to support our improved performance as we successfully executed under Mike Wuest and his team.

As anticipated last quarter, the Geesink Norba Group experienced a pause in its recovery due to the reasons that Bob discussed earlier and incurred a $4.2 million operating loss in the quarter. We continue to believe that we are positioning the Geesink Norba Group for improved results and we expect that the trend of better performance that began from the fourth quarter of fiscal 2005 through the third quarter of fiscal 2006 will resume in the second quarter of fiscal 2007.

We also observed a strong quarter from IMT, which became part of the Oshkosh family in the fourth quarter of fiscal 2006. IMT's revenues for this first quarter in 2007 were $27.6 million, with an equally impressive contribution in operating income of $3.6 million.

Overall, commercial segment operating income rose 150.3% to $20.8 million, or 6.5% of sales. This performance puts us on target to achieve our performance expectations for this segment this year.

I should remind you again; however, that we attribute much of the strength in our commercial segment in the first quarter to customers pulling forward their orders ahead of the EPA's changes in diesel engine emissions standards for 2007. In general, we expect that our McNeilus concrete placement and refuse business revenues will remain strong during the next quarter, but decline in the back half of fiscal 2007 as we deplete our inventory of chassis with 2006 engines.

Finally, the backlog for the commercial segment was up 3.0% compared to December 31, 2005, entirely due to the addition of IMT.

Oshkosh Fiscal 2007 Estimates

Please turn to slide 16 and we will talk about updates to our guidance for the full fiscal year, 2007. We expect revenues for the entire corporation to grow a range of $6.05 to $6.15 billion. This breaks down by segment in the following manner:

Based on our expectations for the worldwide markets and our order book, we expect access equipment sales to be in a range of $2.3 to $2.4

billion .

We expect our defense sales to pick up sharply in the back half of the year and grow by approximately $150 to $200 million for the year.

We are positive on our outlook for our fire and emergency business, which we believe will grow sales by 20 to 25% from its 2006 level, including an additional $110 million from Oshkosh Specialty Vehicles.

Finally, we anticipate commercial sales being slightly down for the year, which is a modest change from our previous guidance where we stated that commercial would be flat. We expect the acquisition of IMT to add an incremental $90 million of sales to fiscal 2007.

Oshkosh Fiscal 2007 Estimates

Turning to slide 17, we expect our consolidated operating income to approximate $582 to $594 million in fiscal 2007, which is an increase of approximately 80% compared to fiscal 2006. We expect access equipment margins to approximate 9.5%, including purchase accounting charges totaling about $63 — $65 million. We expect margins in defense to decline by 50 to 100 basis points rather than our previous estimate of flat margins. This change reflects an unfavorable product mix shift for the year. We believe that fire and emergency margins will increase slightly, by about 50 basis points, driven by strong performance at Pierce. We believe that commercial margins will increase by approximately 100 basis points, as price increases and lean activities continue to improve operating results.

Oshkosh Fiscal 2007 Estimates

Slide 18 takes care of some housekeeping by providing additional estimates of interest expense, taxes and other areas. We are estimating interest expense and other expense to be in the range of $215 to $220 million, based on a projected weighted average interest rate of between 7.1% and 7.2%. We recently completed an interest rate swap that effectively fixes the interest rate on $2.5 billion of debt in fiscal 2007.

We are estimating a lower tax rate for the year at 36.0%, which is a bit less than the 37% we estimated back in October during the call. The decrease reflects the impact of the JLG acquisition and the reinstatement of the federal research and development tax credit.

Please turn to slide 19.

Oshkosh Fiscal 2007 Estimates

So, to wrap up, we are still looking at a full year in which we expect EPS to be modestly higher than originally expected at $3.15 — $3.25 per share, due to the $0.10 per share accretive performance we expect from JLG. We have the opportunity for a very good financial performance in fiscal 2007 but we also face challenges in some of our businesses. We believe our estimates are realistic until we see more clarity in the direction of the economy during our fiscal 2007.

We are initiating our second quarter EPS guidance with a range of $0.50 to $0.57. This range is lower than last year’s $0.67 in the second quarter and is driven by a shift in defense revenues from the first half to the second half of the fiscal year. Also, we expect JLG to be dilutive to second quarter earnings by approximately $0.10 — $0.15 per share due in part to one time inventory revaluation charges. We expect JLG to be accretive to Oshkosh’s earnings beginning in the third fiscal quarter as well as for the fiscal year.

Capital spending changes to no more than $105 million for the full year to reflect the acquisition of JLG and we expect to be carrying debt of between $3.1 and $3.2 billion at year-end to reflect the impact of the JLG acquisition.

With that I will turn it back over to Bob.

The Power of Big Ideas

We have begun the journey that we described to you as our vision back in October 2006, when we announced our intention to acquire JLG as a new business segment for Oshkosh Truck. I said that we’ve begun the journey, but the acquisition and integration of JLG are really just milestones in a journey that began over a decade ago, when we first set out to transform this Company. We have a very talented and hard-working group of employees at Oshkosh Truck and we have been able to successfully integrate specialty vehicle companies into our family with considerable success. Yes, we do face a number of challenges, particularly in terms of potentially down end markets because of the engine

emissions standards changes, and the integration of JLG will be challenging, but we expect to be successful.

Our core growth strategies of leading in new product development, seeking operational excellence through lean initiatives and the pursuit of strategic acquisitions have served us well. We believe these strategies remain extremely relevant as we grow our Company through a variety of strong and industry-leading operating practices.

I’m comfortable with our ability to drive earnings to new highs and believe we have the right team in place to achieve these records.

With that, I will turn it back over to our operator for questions.