OSHKOSH CORP

FORM 8-K
(Current report filing)

Filed 11/01/05 for the Period Ending 11/01/05

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

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): November 1, 2005

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 November 1, 2005, Oshkosh Truck Corporation (the "Company") issued a press release (the "Press Release") announcing its earnings for the fourth quarter and fiscal year ended September 30, 2005 and its revised outlook for fiscal 2006. A copy of such press release is furnished as Exhibit 99.1 and is incorporated by reference herein.

On November 1, 2005, the Company held a conference call in connection with the Company's announcement of its earnings for the fourth quarter and fiscal year ended September 30, 2005 and its revised outlook for fiscal 2006. 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 web site 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 November 1, 2005. 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, the following:

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 made by the Company, some of which are referred to in, or as part of, the forward-looking statements. Such assumptions include, without limitation, the Company's ability to turn around the business of the Geesink Norba Group sufficiently to support its current valuation resulting in no non-cash impairment charge for Geesink Norba Group goodwill; the Company's ability to increase its operating income margins at McNeilus Companies, Inc.; the Company's ability to recover steel and component costs with increases in prices of its products; the Company's estimates for the level of concrete placement activity, housing starts and mortgage rates; the performance of the U.S. and the 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 McNeilus Companies, Inc., the Geesink Norba Group and Medtec Ambulance Corporation; the anticipated level of production and margins associated with the Family of Heavy Tactical Vehicles contract, the Indefinite Demand/Indefinite Quantity contract, the Medium Tactical Vehicle Replacement follow-on contract and international defense truck contracts; the expected level of U.S. Department of Defense procurement of replacement parts and services and remanufacturing of trucks and funding thereof; the Company's estimates for capital expenditures of municipalities for fire and emergency and refuse products, of airports for rescue and snow removal products and of large commercial waste haulers generally and with the Company; federal funding levels for Department of Homeland Security and spending by governmental entities on homeland security apparatus; the level of concrete placement and domestic refuse sales demand in advance of a diesel engine emissions standards change effective January 1, 2007; the availability of chassis components and commercial chassis generally; 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 Company's ability to integrate acquired businesses and achieve expected synergies; the expected level of commercial "package" body and chassis sales compared to "body only" sales; the Company's estimates of the impact of changing fuel prices and credit availability on capital spending of towing operators; anticipated levels of capital expenditures, including for expansion of facilities; the Company's estimates for costs relating to litigation, product warranty, insurance, personnel and raw materials; and the Company's estimates for working capital needs and effective tax rates. 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 results that the forward-looking statements contemplate.

Geesink Norba Group Turnaround . Prior to the fourth quarter of fiscal 2005, the Geesink Norba Group operated at a loss for five quarters 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 small profit in the fourth quarter of fiscal 2005 and the Company has taken steps to turn around the business of the Geesink Norba Group, including reducing its work force, installing new executive leadership, implementing lean manufacturing practices, introducing new products and outsourcing components to lower cost manufacturing sites, the Company cannot provide any assurance that the Geesink Norba Group will continue to operate profitably or that such activities will be successful. In addition, the Company may incur costs to implement any such turnaround beyond its current expectations for such costs. If the Company is unable to turn around the business of the Geesink Norba Group, then the Company may be required to record a non-cash impairment charge for Geesink Norba Group goodwill, and there could be other material adverse effects on the net sales, financial condition, profitability and/or cash flows of the Company.

Cyclical Markets . A decline in overall customer demand in the Company's cyclical commercial or fire and emergency markets could have a material adverse effect on the Company's operating performance. The ready-mix concrete market that the Company serves

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. Although the concrete placement industry has recovered from a downturn compared to historical levels and customers of the Company such as municipalities and large waste haulers have increased their expenditures for fire and emergency and refuse equipment, if these improvements do not continue or if these markets face downturns, then there could be a material adverse effect on the net sales, financial condition, profitability and/or cash flows of the Company. In addition, while showing signs of improvement recently, the weak European economy, among other things, has continued to have a material adverse effect on refuse sales by the Geesink Norba Group. Furthermore, the recent surge in the Company's 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 the Company cannot predict how long this conflict will last or the demand for its products that will arise out of such an event. Accordingly, the Company cannot provide any assurance that the increased defense business as a result of this conflict will continue.

Government Contracts . The Company is dependent on U.S. and foreign government contracts for a substantial portion of its business. That business is subject to the following risks, among others, that could have a material adverse effect on the Company's operating performance:

- The Company's business is susceptible to changes in the U.S. defense budget, which may reduce revenues that the Company expects from its defense business.
- The U.S. government may not appropriate funding that the Company expects for its U.S. government contracts, which may prevent the Company from realizing revenues under current contracts.
- Most of the Company's government contracts are fixed-price contracts, and the Company's actual costs may exceed its projected costs, which could result in lower profits or net losses under these contracts.
- The Company is 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 the Company cannot provide any assurance that it will be successful in the defense truck procurement competitions in which it participates.
- Certain of the Company's 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.
- The Company's government contracts are subject to audit, which could result in adjustments of the Company's costs and prices under these contracts.
- The Company's defense truck contracts are large in size and require significant personnel and production resources, and when such contracts end, the Company must make adjustments to personnel and production resources.

Completion and Financing of Acquisitions . A substantial portion of the Company's growth in the past nine years has come through acquisitions, and the Company's growth strategy is based in part upon acquisitions. The Company may not be able to identify suitable acquisition candidates or complete future acquisitions, which could adversely affect the Company's future growth. The Company's credit facility also contains restrictive covenants that may limit the Company's ability to take advantage of business opportunities, including acquisitions. The Company may not be able to integrate or operate profitably its recent acquisitions of Concrete Equipment Company, Inc. (CON-E-CO) and London Machinery Inc. ("London") or businesses the Company acquires in the future. Any acquisitions could be dilutive to the Company's earnings per share. The Company's level of indebtedness may increase in the future if the Company finances acquisitions with debt, which would cause the Company to incur additional interest expense and could increase the Company's vulnerability to general adverse economic and industry conditions and limit the Company's ability to obtain additional financing. If the Company issues shares of its stock as currency in any future acquisitions or as a source of funds to finance acquisitions, then the Company's earnings per share may be diluted as a result of the issuance of such stock.

Steel and Component Costs . The Company uses thousands of tons of steel annually and steel cost increases have had a significant impact on production costs for the Company's trucks and truck bodies. During fiscal 2004 and the first six months of fiscal 2005, costs increased sharply for steel and component parts containing steel. Although the Company believes steel costs stabilized beginning in the third quarter of fiscal 2005, the Company could face further steel cost increases in fiscal 2006. Steel and component costs that increase further and/or are not recovered through increases in the Company's selling prices could impact the Company in the following ways:

- In the commercial and fire and emergency businesses, the Company announced selling price increases during fiscal 2005, some of which take effect in fiscal 2006, to recover increased steel and component costs and may further increase prices. However, any such new product prices apply only to new orders, and the Company does not anticipate being able to recover all cost increases from customers due to the amount of orders in the Company's backlog prior to the effective dates of new selling prices for the Company's products. In addition, reaction to these price increases has been adverse

from some customers, and competitive conditions have limited, and may limit in the future, price increases in some market sectors. Furthermore, steel and component costs may again rise faster than expected, and the Company's product price increases may not be sufficient to recover such increases.

- In the defense business, the Company is generally limited in its ability to raise prices in response to rising steel and component costs as the Company largely does business under firm, fixed-price contracts. The Company attempts to limit its risk by obtaining firm pricing from suppliers at contract award. However, if these suppliers, including steel mills, do not honor their contracts, then the Company could face margin pressure in its defense business.

Revolution(R)Composite Concrete Mixer Drum. The Company has made and will continue to make significant investments in technology and manufacturing facilities relating to the Revolution(R)composite concrete mixer drum product, and the Company anticipates that this product will contribute to growth in revenues and earnings of the Company's commercial segment. However, the Company cannot provide any assurance that such growth will result. Without limitation:

- The Revolution(R)drum is a new product in the concrete placement market that uses new technology, and the Company cannot provide any assurance that the concrete placement market will broadly accept this product or that the Company will be able to sell this product at targeted prices.

- Even if market demand for the Revolution(R)drum meets the Company's expectations, the Company 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.

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

- The Company cannot provide any assurance that competitors will not offer products in the future that compete with the Revolution(R)drum, which would impact the Company's ability to sell this product at targeted prices.

- Because the Revolution(R)drum is a new product, the Company has experienced and may continue to experience higher costs for warranty and other product related claims.

International Business . For the fiscal year ended September 30, 2005, approximately 15.5% of the Company's net sales were attributable to products sold outside of the United States, and expanding international sales, including through acquisitions such as the recent acquisition of London, is a part of the Company's 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. The Company 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 the Company's net sales, financial condition, profitability and/or cash flows.

Foreign Currency Fluctuations . The results of operations and financial condition of the Company's 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 the Company's consolidated financial statements, which are stated in U.S. dollars. In addition, the Company has certain firm orders in backlog that are denominated in U.K. Pounds Sterling and certain agreements with subcontractors denominated in U.K. Pounds Sterling and Euros, which will subject the Company to foreign currency transaction risk to the extent they are not hedged. 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 the Company's net sales, financial condition, profitability and/or cash flows and may significantly affect the comparability of the Company's results between financial periods.

Interruptions in the Supply of Parts, Components and Chassis . The Company has experienced, and may in the future experience, significant disruption or termination of the supply of some of the Company's parts, materials, components and final assemblies that the Company obtains from sole source suppliers or subcontractors or incur a significant increase in the cost of these parts, materials, components or final assemblies. Certain chassis component and commercial chassis suppliers have been unable to meet scheduled delivery dates to the Company because of a sharp rise in demand for Class 8 trucks. While availability of these items has not adversely impacted the Company to date, such availability could become an issue over the next fourteen months. Such disruptions, terminations or cost increases could delay sales of the Company's trucks and truck bodies and could result in a material adverse effect on the Company's net sales, financial condition, profitability and/or cash flows.

Competition . The Company operates in highly competitive industries. Several of the Company's competitors have greater financial, marketing, manufacturing and distribution resources than the Company and the Company is facing competitive pricing from new entrants in certain markets. The Company's products may not continue to compete successfully with the products of competitors, and the Company may not be able to retain or increase its customer base or to improve or maintain its profit margins on sales to its customers, all of which could adversely affect the Company's net sales, financial condition, profitability and/or cash flows.

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.

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 November 1, 2005.

(99.2) Script for conference call held November 1, 2005.

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: November 1, 2005

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 November 1, 2005

Exhibit
Number

(99.1) Oshkosh Truck Corporation Press Release dated November 1, 2005.

(99.2) Script for conference call held November 1, 2005.

FOR IMMEDIATE RELEASE

For more information contact:

Financial: Charles L. Szews
Executive Vice President and
Chief Financial Officer
(920) 235-9151, Ext. 2332

Media: Kirsten Skyba
Vice President, Communications
(920) 233-9621

OSHKOSH TRUCK REPORTS RECORD FOURTH QUARTER EPS UP 38.1% TO $0.58 AND FISCAL YEAR 2005 EPS UP 38.9% TO $2.18; REAFFIRMS FISCAL YEAR 2006 EPS ESTIMATE RANGE OF $2.40 – $2.50

OSHKOSH, WIS. (November 1, 2005) – Oshkosh Truck Corporation **(NYSE: OSK)** , a leading manufacturer of specialty trucks and truck bodies, today reported that net income increased 42.0 percent to $160.2 million, or $2.18 per share, on sales of $2.96 billion for its fiscal year ended September 30, 2005. This compares with net income of $112.8 million, or $1.57 per share, on sales of $2.26 billion in fiscal 2004. Oshkosh also reaffirmed its estimated range of fiscal 2006 earnings per share of $2.40 to $2.50. All references to per share amounts have been adjusted to reflect the two-for-one stock split effected on August 26, 2005.

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Sales increased 26.5 percent in the fourth quarter of fiscal 2005 to $823.7 million. Operating income increased 49.6 percent to $74.0 million or 9.0 percent of sales. Net income was up 42.4 percent to $42.8 million, or $0.58 per share, in the fourth quarter compared to the prior year quarter. Strong defense segment earnings offset relatively flat earnings in the fire and emergency and commercial segments as compared to the prior year quarter. The results for the fourth quarter of fiscal 2004 included a cumulative life-to-date adjustment of $5.3 million to increase margins on the Company's Medium Tactical Vehicle Replacement ("MTVR") base contract with the U.S. Marine Corps by 0.5 percent ($0.05 per share). The MTVR base contract was completed in June 2005.

Robert G. Bohn, Oshkosh chairman, president and chief executive officer, said, "Fiscal 2005 results were at record levels for most financial performance metrics. In addition, this marked the ninth consecutive year of improved financial performance and reflects positively on our ability to deliver long-term value and growth to our shareholders.

"Fourth quarter results reflected exceptional performance from the Company's defense business. Revenue growth in new and remanufactured defense trucks, parts and service were driving forces in quarterly and full-year performance. The Geesink Norba Group returned to profitability this quarter, and 'lean' initiatives at McNeilus exerted positive influence, reflected in record deliveries and improved lead times.

"Oshkosh Truck is moving into fiscal 2006 strong and focused. We are encouraged that backlog in all businesses is up significantly from the prior year, providing a solid base for growth. Cost reduction will continue to be the critical focus for all segments to supplement our current 'lean' initiatives in driving margin improvement. Most significantly, we have made progress toward achieving our previously stated goals. Fiscal 2005 organic sales growth was above our 10 percent stated goal. Our consolidated operating income margin reached 9 percent for the first time. And, return on invested capital was 20.5 percent, well above our 15 percent target," continued Bohn.

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

Fire and emergency —Fire and emergency segment sales increased 6.4 percent to $211.4 million for the quarter compared to the prior year quarter, while operating income remained flat at $19.0 million, or 9.0 percent of sales, compared to 9.5 percent of sales in the prior year quarter. The higher sales level reflected strong order flow for fire apparatus offset by lower airport product sales. Operating income margins for the segment decreased due to lower sales of higher-margin airport products and production inefficiencies associated with the consolidation of certain ambulance manufacturing facilities.

Defense —Defense segment sales increased 58.1 percent to $355.0 million for the quarter compared to the prior year's fourth quarter due to a nearly 50.0 percent increase in new and remanufactured heavy-payload truck sales and a near doubling of parts and service sales. Operating income in the fourth quarter was up 87.4 percent, to $63.2 million, or 17.8 percent of sales, compared to operating income in the prior year quarter of $33.7 million, or 15.0 percent of sales. Fourth quarter 2005 margins were favorably impacted by an improved product mix

of new and remanufactured heavy-payload truck sales and parts and service sales. Results in the fourth quarter of fiscal 2004 reflected relatively high sales of lower-margin MTVR base contract trucks and included a $5.3 million cumulative life-to-date adjustment to operating income to increase margins on the Company's MTVR base contract by 0.5 percent.

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Commercial —Commercial segment sales increased 13.7 percent to $266.5 million for the quarter on strong order intake. Operating income decreased 6.6 percent to $4.5 million, or 1.7 percent of sales, compared to $4.9 million, or 2.1 percent of sales, in the prior year quarter. The CON-E-CO and London acquisitions contributed sales of $21.7 million and operating income of $0.6 million during the quarter. Sales from other businesses in the segment grew 4.4 percent while their operating income declined 19.7 percent for the quarter. The decrease in operating income margins from the prior year was primarily a result of the sale of concrete placement and domestic refuse products at sales prices that were not sufficient to recover higher steel and component costs. The Company expects that its pricing initiatives over the last six months will begin to benefit its concrete placement and domestic refuse product margins beginning in the second quarter of fiscal 2006. The Company's European refuse business earned a small operating profit in the quarter compared to an operating loss in the prior year's quarter. The Company expects its European refuse business to be modestly profitable throughout fiscal 2006 due to product design changes, outsourcing and other cost reduction activities in process.

Corporate and other —Operating expenses and inter-segment profit elimination increased $4.7 million to $12.8 million, due largely to increased personnel costs. Interest expense net of interest income in the fourth quarter decreased $1.0 million to $0.3 million, compared to the prior year quarter due to investment income on higher cash balances during the quarter.

The provision for income taxes in the fourth quarter increased to 41.4 percent of income, compared to 38.3 percent of income in the prior year quarter. The higher rate reflected an increase of $2.2 million ($0.03 per share) in the valuation allowance for deferred tax assets related to net operating loss carryforwards in The Netherlands.

Total debt at September 30, 2005 increased slightly to $24.1 million from $23.6 million at June 30, 2005, while cash increased $84.4 million to $127.5 million at September 30, 2005 from $43.1 million at June 30, 2005 due to strong cash flow from operations.

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Full Year Results

The Company reported that earnings per share increased 38.9 percent to $2.18 per share for fiscal 2005 on sales of $2.96 billion and net income of $160.2 million compared to $1.57 per share for fiscal 2004 on sales of $2.26 billion and net income of $112.8 million. Results for fiscal 2005 included cumulative life-to-date adjustments to increase the margin on the MTVR base contract totaling $24.7 million, the favorable settlements of product liability matters for $4.2 million and a net charge for workforce reductions of $3.7 million. Results for fiscal 2004 included MTVR base contract cumulative life-to-date margin adjustments totaling $19.5 million that increased operating income for the year and a $1.8 million charge for workforce reductions.

Operating income increased 48.1 percent to $267.2 million, or 9.0 percent of sales, in fiscal 2005 compared to $180.4 million, or 8.0 percent of sales, in fiscal 2004.

Dividend Announcement

Oshkosh Truck Corporation's Board of Directors declared a quarterly dividend of $0.0675 per share of Common Stock. The dividend will be payable November 23, 2005, to shareholders of record as of November 16, 2005.

Oshkosh Truck Corporation officials will comment on fourth quarter earnings and expectations for fiscal 2006 during a live conference call at 11:00 a.m. Eastern Standard Time today. Viewer-controlled slides for the call will be available on the Company's website beginning at 9:30 a.m. Eastern Standard Time this morning. The call will be available simultaneously via a webcast over the Internet as a service to investors. It will be listen-only format for on-line listeners. 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 such conference call and related question and answer session will be available for at least twelve months at this website.

Oshkosh Truck Corporation is a leading designer, manufacturer and marketer of a broad range of specialty commercial, fire and emergency and military trucks and truck bodies under the Oshkosh®, McNeilus®, Pierce®, Medtec™, CON-E-CO®, London®, Geesink™ and Norba™ brand names. Oshkosh's products are valued worldwide by fire and emergency units, defense forces, 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 are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including statements regarding the Company's future financial position, business strategy, targets, projected sales, costs, earnings, capital spending and debt levels, and plans and objectives of management for future operations, are forward-looking statements. When used in this press release, words such as the Company "expects," "intends," "estimates," "anticipates," or "believes" and similar expressions 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, without limitation, the Company's ability to turnaround its Geesink Norba Group and McNeilus businesses, 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 acquisition candidates and integrating acquired businesses, higher steel and component costs and the Company's ability to avoid such cost increases based on its supply contracts or recover such cost increases with increases in selling prices of its products, the success of the launch of the Revolution® composite concrete mixer drum, and risks associated with international operations and sales, including foreign currency fluctuations. In addition, the Company's expectations for fiscal 2006 are based in part on certain assumptions made by the Company, including, without limitation, those relating to the Company's ability to turnaround the business of the Geesink Norba Group sufficiently to support its current valuation resulting in no non-cash impairment charge for Geesink Norba Group goodwill; the Company's ability to increase its operating income margins at McNeilus; the ability of the Company to recover steel and component cost increases from its customers; anticipated commercial segment sales demand in advance of 2007 diesel engine emissions standards changes; the level of concrete placement activity; the performance of the U.S. and European economies generally; when the Company will receive sales orders and payments; achieving cost reductions; production and margin levels under the Family of Heavy Tactical Vehicles contract, the Indefinite Demand/Indefinite Quantity contract, the MTVR follow-on contract and for international defense trucks; the level of U.S. Department of Defense procurement of replacement parts, services and remanufacturing of trucks; capital expenditures of municipalities, airports and large waste haulers; the availability of commercial chassis and certain chassis components; spending on bid and proposal activities and new product development; personnel costs; the ability to integrate acquired businesses; and that the Company does not complete any acquisitions. 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 September 30,		Year Ended September 30,	
	2005	2004	2005	2004
	(In thousands, except per share amounts)			
Net sales	$ 823,716	$ 651,074	$ 2,959,900	$ 2,262,305
Cost of sales	688,274	552,838	2,465,130	1,898,636
Gross income	135,442	98,236	494,770	363,669
Operating expenses:				
Selling, general and administrative	59,543	46,494	219,875	175,951
Amortization of purchased intangibles	1,925	2,310	7,693	7,308
Total operating expenses	61,468	48,804	227,568	183,259
Operating income	73,974	49,432	267,202	180,410
Other income (expense):				
Interest expense	(1,865)	(1,541)	(8,235)	(5,549)
Interest income	1,553	243	3,052	1,235
Miscellaneous, net	(1,061)	(227)	(1,898)	452

	(1,373)	(1,525)	(7,081)	(3,862)
Income before provision for income taxes, equity in earnings of unconsolidated affiliates and minority interest	72,601	47,907	260,121	176,548
Provision for income taxes	30,072	18,329	102,267	65,892
Income before equity in earnings of unconsolidated affiliates and minority interest	42,529	29,578	157,854	110,656
Equity in earnings of unconsolidated affiliates, net of income taxes	603	503	2,920	2,219
Minority interest, net of income taxes	(380)	(69)	(569)	(69)
Net income	$ 42,752	$ 30,012	$ 160,205	$ 112,806
Earnings per share				
Basic	$ 0.59	$ 0.43	$ 2.22	$ 1.62
Diluted	$ 0.58	$ 0.42	$ 2.18	$ 1.57
Basic weighted average shares outstanding	72,915	68,624	71,294	68,388
Effect of dilutive securities:				
Class A Common Stock	--	1,620	944	1,624
Stock options and incentive compensation awards	1,195	1,896	1,384	1,966
Diluted weighted average shares outstanding	74,110	72,140	73,622	71,978

-Continued-

OSHKOSH TRUCK CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2005	September 30, 2004
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 127,507	$ 30,081
Receivables, net	280,247	252,253
Inventories	489,997	368,067
Deferred income taxes	36,618	41,033
Other current assets	20,015	19,273
Total current assets	954,384	710,707
Investment in unconsolidated affiliates	20,280	21,187
Property, plant and equipment	355,341	316,538
Less accumulated depreciation	(162,315)	(147,962)
Net property, plant and equipment	193,026	168,576
Goodwill, net	399,875	385,063
Purchased intangible assets, net	128,525	140,506
Other long-term assets	22,213	26,375
Total assets	$ 1,718,303	$ 1,452,414
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		

Accounts payable	$ 226,768	$ 200,290
Revolving credit facility and current maturities of long-term debt	21,521	72,739
Customer advances	303,090	209,656
Floor plan notes payable	21,332	25,841
Payroll-related obligations	47,460	43,978
Income taxes	11,571	17,575
Accrued warranty	39,546	35,760
Other current liabilities	104,251	73,842
Total current liabilities	775,539	679,681
Long-term debt	2,589	3,209
Deferred income taxes	55,443	66,543
Other long-term liabilities	62,917	64,259
Minority interest	3,145	2,629
Commitments and contingencies		
Shareholders' equity	818,670	636,093
Total liabilities and shareholders' equity	$ 1,718,303	$ 1,452,414

-Continued-

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

	Year Ended September 30,	
	2005	**2004**
	(In thousands)	
Operating activities:		
Net income	$ 160,205	$ 112,806
Non-cash and other adjustments	36,564	24,988
Changes in operating assets and liabilities	15,542	(2,878)
Net cash provided by operating activities	212,311	134,916
Investing activities:		
Acquisition of businesses, net of cash acquired	(31,286)	(87,489)
Additions to property, plant and equipment	(43,174)	(29,950)
Proceeds from sale of assets	204	172
Decrease (increase) in other long-term assets	5,747	(11,149)
Net cash used by investing activities	(68,509)	(128,416)
Financing activities:		
Net (repayments) borrowings under revolving credit facility	(51,613)	10,063
Proceeds from exercise of stock options	24,257	4,592
Purchase of Common Stock	(612)	(18)
Proceeds from issuance of long-term debt	--	965
Repayment of long-term debt	(656)	(1,927)
Debt issuance costs	--	(1,342)
Dividends paid	(16,022)	(9,106)
Net cash (used) provided by financing activities	(44,646)	3,227
Effect of exchange rate changes on cash	(1,730)	1,109
Increase in cash and cash equivalents	97,426	10,836
Cash and cash equivalents at beginning of period	30,081	19,245

Cash and cash equivalents at end of period	$ 127,507	$ 30,081
Supplementary disclosure:		
Depreciation and amortization	$ 34,699	$ 27,961

-Continued-

OSHKOSH TRUCK CORPORATION
SEGMENT INFORMATION
(Unaudited)

	Three Months Ended September 30,		Year Ended September 30,	
	2005	**2004**	**2005**	**2004**
	(In thousands)			
Net sales to unaffiliated customers:				
Fire and emergency	$ 211,414	$ 198,662	$ 841,465	$ 599,734
Defense	354,969	224,484	1,061,064	774,059
Commercial	266,514	234,492	1,085,700	907,309
Intersegment eliminations	(9,181)	(6,564)	(28,329)	(18,797)
Consolidated	$ 823,716	$ 651,074	$ 2,959,900	$ 2,262,305
Operating income (expense):				
Fire and emergency	$ 19,039	$ 18,954	$ 79,619	$ 54,957
Defense [1]	63,195	33,714	210,232	127,859
Commercial	4,534	4,853	23,829	34,838
Corporate and other	(12,794)	(8,089)	(46,478)	(37,244)
Consolidated	$ 73,974	$ 49,432	$ 267,202	$ 180,410
Period-end backlog:				
Fire and emergency			$ 526,200	$ 470,720
Defense			1,199,924	888,714
Commercial			217,935	191,548
Consolidated			$ 1,944,059	$ 1,550,982

[1] Includes the following cumulative life-to-date adjustments to operating income due to an increase in margins on the Company's MTVR base contract.

	Three Months Ended September 30,		Year Ended September 30,	
	2005	**2004**	**2005**	**2004**
	(In thousands, except percentages)			
Increase in operating income	$ --	$ 5,300	$ 24,700	$ 19,500
Increase in margin percentage	0.0%	0.5%	2.5%	2.1%
Margin percentage at period-end			10.1%	7.6%

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Fourth Quarter 2005 Earnings
Conference Call
November 1, 2005

Charlie

Good morning, and welcome to Oshkosh Truck's fourth quarter earnings conference call. Please refer to slide 2 of the slide presentation on our website at www.oshkoshtruckcorporation.com , which supplements our remarks today.

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 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 third quarter earnings conference call on August 2, 2005. Also, all references to per share results today are reported on a post-split basis with respect to an August 2005 two-for-one split of the Company's common stock.

Bob, please lead off and investors, please turn to slide 3.

Bob

Oshkosh Fiscal 2005 Highlights

Hello and welcome. I appreciate everyone joining us. I'll begin the call with opening comments and then turn it back to Charlie Szews, our executive vice president and CFO, to review our financial results.

Fiscal 2005 was a record year for Oshkosh Truck Corporation, and we're very pleased. But it has significance beyond this year's specific results in that it reflects on our ability to deliver results not just for a quarter, not just for a year, but for the long term. Fiscal 2005 was our ninth, our ninth consecutive year of improving financial performance. Since 1997, our compound annual growth rate for revenues during those nine years was approximately 24 percent. We've got a strategy and it's working.

Now let me go over the specifics. For the year, revenues were up 30.8% to $2.96 billion. Operating income reached $267.2 million, up 48.1%. Just as important, I'm pleased to say, is the fact that our operating income margin reached 9% for the first time. And, EPS reached $2.18, beating our previous estimate by 3 cents and up 38.9% over last year's $1.57 per share.

Given the performance we were building during the year and the confidence we have in the corporation, the Board of Directors agreed that the timing was right to effect a two-for-one stock split in August 2005, again improving liquidity for shareholders.

We also integrated two more acquisitions – CON-E-CO and London Machinery. Both tucked in nicely with the concrete placement business in our commercial segment. And, our cash flow from operations was so strong that we were able to pay $31 million for these acquisitions, repay $52 million in debt and increase our cash position by $97 million to $127.5 million by fiscal year end.

Now let's turn to Slide 4.

The performance metrics of our defense business were exceptional again this year. The defense business delivered sales of more than a billion dollars and drove its operating income up over 64% for the year.

The fire and emergency business quietly delivered a very strong performance with revenue up over 40% and operating income up nearly 45%. The commercial segment was slow to improve, but there have been signs of progress underlying its financial performance, and we are driving for improved results in fiscal 2006.

Although we have a number of performance initiatives within the organization, I'm most pleased that the "lean" initiative has taken root and gained momentum throughout 2005. Although the ultimate outcome of this effort is expected to be a more competitive cost structure, the first step is true cultural change. And we are beginning to affect that. It's been most evident at McNeilus Companies and the Geesink Norba Group, where we've had the most intensive use of our lean team.

Oshkosh has always worked to distinguish itself within each market by the level and quality of the customer service that we provide. We have also had a concentrated effort to grow our aftermarket business with some significant results. Parts and service now account for over 20% of consolidated sales, up from 18% in fiscal 2004, and from 8% in 1996. That success is attributable to a few factors. First, expansion of support requirements during the Iraq conflict and the extensive up armoring requirements in our defense business have spurred our defense parts and service sales. Second, we have been moving more aggressively into all-makes parts in our commercial business. And, third, we have been expanding the services we offer to all our customers. We opened eight new service centers during this fiscal year, and began leveraging existing service centers from one market to support another. For example, our service facility near Seattle now supports McNeilus commercial customers and Oshkosh defense customers.

During fiscal 2005, we also made some impressive strides in the development of new products and technologies. There are many things I could tell you about, but I'm really excited about the progress, and the potential, of our unmanned vehicle systems integration program. It was one of the best moments of my career as I stood with the TerraMax™Team at the finish line in Primm, Nevada, watching our robotic truck storm toward the finish line. TerraMax was one of just five vehicles to complete the desert race put on by the Pentagon. Our Team TerraMax, which included our partners Rockwell Collins and the University of Parma, Italy, not only made an unmanned defense vehicle a reality, but we believe also put it within reach of the U.S. military within the next few years. And, when you realize that this vehicle literally thought for itself and navigated 132 miles of tough desert terrain, sometimes with only inches to spare on either side, while traversing curves and tunnels, you really begin to understand my enthusiasm.

In my view, armoring is today's solution for keeping troops safer in vehicles. Unmanned technology is the next leap. And, we are already working on the next generation system, which we expect would be available to the U.S. military, if and when they need it. If you're interested in learning more, check out www.terramax.com for all the details.

Now, let's take a look at Slide 5, for our Fourth Quarter Highlights specifically.

We closed out the year right on track with record sales, operating income and EPS. Sales increased more than 26% compared to the same quarter a year ago. Operating income increased even more, almost 50%, while EPS reached $0.58, up 38.1% quarter over quarter.

At year-end, all of our major markets appeared healthy, and that was reflected in a 25.3% increase in our consolidated backlog to $1.94 billion at September 30. Backlogs in all businesses were up by double-digit percentages. This gives us the confidence to reaffirm our estimated range of EPS for fiscal 2006 of $2.40 to $2.50.

Let's move to Slide 6 so I can review our progress on key initiatives to reduce costs and drive earnings growth.

Key Initiatives in Fourth Quarter Fiscal 2005

Margin enhancement and turning around our commercial business have been our focus throughout all of fiscal 2005. And, this is the first quarter in a long time that I can report that our European subsidiary, the Geesink Norba Group, generated a profit. The "lean" measures and product improvements that we executed early this year have begun to deliver results, and we have expectations for modest profitability in this business for fiscal 2006.

This is also the first time in well over a year that I can report that McNeilus earnings met our expectations for a quarter. Granted it is a modest margin, but nonetheless it is what we anticipated. When we combine this with progress in a number of key areas at McNeilus, it gives us a conservatively optimistic perspective on fiscal 2006 commercial performance. For example, we expect recent price increases to be a driving force in earnings performance by the second quarter of fiscal 2006. And, we had a very successful launch of a configurator for rear-discharge concrete mixers and a number of ERP modules in early October. This helps us to schedule and control our business. And, the "lean" team is spending every day at McNeilus focused on reducing manufacturing lead times, improving quality and cutting process costs. Finally, despite cumulative price increases of more than 20% since April 2004 for both rear-discharge concrete mixers and refuse bodies, we believe our market share is largely holding at this point. That is the basis for our belief that we will begin to realize higher margins at McNeilus beginning in the second quarter of fiscal 2006.

OK. Let's go to Slide 7 to discuss our **Commercial Business** in more detail.

This quarter, we can finally say that the commercial business slightly exceeded our expectations in terms of operating income. We had anticipated that operating income would be down, and it was, at $4.5 million, or 1.7% of sales. Granted, this is still far below what is acceptable, since we are targeting 8% or more operating income margins for this segment. But, it does reflect positive improvements in European operations and gives us a good indication that the control measures we put in place earlier this year are taking hold.

The Geesink Norba Group returned to profitability this quarter thanks to our lean initiatives, product improvements to the Geesink rear-loader and better European market conditions. In addition, our outlook going forward is more positive than it has been for a very long time. European backlog was up more than 30% at year-end, and we're in the middle of implementing the outsourcing strategy that I discussed with you last quarter. We will be outsourcing many fabrications during the first quarter of fiscal 2006 and we expect to see benefits from this flow to the bottom line during the third quarter of fiscal 2006.

Domestically, the concrete placement and refuse markets appear solid and healthy. We expect 2006 demand in both markets to be favorably impacted as many customers want to bring 2006 truck models into their fleets before the new 2007 emissions standards take effect. In the refuse market, another driving force is that we expect strong demand from the Big Three haulers, who account for nearly 50% of industry volume.

Before we leave the commercial business, I want you to know that we understand that it is vitally important to make progress with this turnaround, and that we are making progress. We do understand what needs to be done. And, we will continue to focus our resources here until we get it done. The second quarter of fiscal 2006 should be pivotal, as we expect pricing initiatives to begin to benefit operating income. Our cost reduction activities will take more time to develop and are likely to largely benefit fiscal 2007.

Now, let's move on to our **Defense Business** on Slide 8.

It was another great quarter, and an exceptional year for our defense business. To put it in perspective, defense sales were up more than 58% in the quarter to $355 million. For the fiscal year, defense operating income rose 64.4% to $210.2 million, $4.2 million ahead of our previous estimates. Obviously, this performance helped tremendously to offset the difficulties we've experienced in our commercial segment and give us time to turn that business around.

Remanufacturing and parts and service have been driving forces in defense performance throughout the year, with parts and service at nearly double fiscal 2004 levels. Tied to this business, and its potential for growth, is our investment in a new defense remanufacturing facility. On October 10th, we hosted an official grand opening. All of the employees who are working at the plant, several important defense customers, and Congressman Tom Petri were on hand for the ribbon cutting. I'm most excited because this is truly a world-class facility, dedicated to remanufacturing operations and logistics support functions for the U.S. military. Since we bought the plant in May 2005, we have been on the fast track to get this facility upgraded and operational. We painted, installed cranes, installed paint booths, and set in motion plans to hire approximately 200 employees, all to support the U.S. military's increased requirements for remanufactured vehicles and help ensure readiness of the fleet. At this point, Oshkosh's remanufacturing operations cover not only HEMTTs, but HETs and PLS trucks.

We continue to work to actively develop new truck business on a number of fronts. Specifically, we completed testing on time of prototype vehicles for the U.S. Marine Corps' Logistic Vehicle System Replacement program. We anticipate receipt of the request for proposal shortly and will then submit a proposal for the production phase of this program within 60 days thereafter. Given that time frame, we are looking at a contract award to the successful bidder in late second quarter or early third quarter of fiscal 2006.

Now, let's move on to Slide 9 and our **Fire and Emergency Business** .

Fire and emergency closed out the year on a solid note. Fourth quarter results exceeded our expectations, with operating income reaching $19 million, or $1.6 million better than expected. Just as important, was the fact that this segment achieved a 30 basis point increase in operating income margin from 9.2% to 9.5% for full fiscal year 2005. That is good progress toward our goal of 10% for this business unit. And, this was despite operating inefficiencies incurred while consolidating certain Medtec Ambulance Corporation facilities during the fourth quarter.

The markets for fire apparatus, ambulances and towing equipment remained robust throughout fiscal 2005, and appear to be headed toward a strong 2006. Order volumes for fire apparatus and ambulances were particularly healthy and trended toward a favorable product mix.

As we moved into fiscal 2006, our fire and emergency business was making the right moves to build future growth. The facilities expansion at

Pierce is on schedule for a January 2006 operational date. We also continued to invest aggressively in product development in this business. In fact, we believe some of the new products could have a significant market impact. But, enough said on that topic for the moment. You'll just have to watch for what's new at fiscal 2006 trade shows. It'll be worth the wait.

Now, I'll turn it over to Charlie to review our financial results, beginning on slide 10.

Charlie:

Let me begin by reviewing our consolidated results for the fiscal year.

Fiscal 2005 Results

For fiscal 2005, sales rose 30.8% to $2.96 billion. Consolidated operating income reached 9.0% of sales for the fiscal year for the first time. For fiscal 2005, operating income rose 48.1% to $267.2 million and earnings per share rose 38.9% to $2.18 per share.

Fiscal 2005 results reflected exceptional operating income growth by our defense and fire and emergency segments of 64.4% and 44.9%, respectively. Our commercial segment underperformed prior year with a 31.6% decline in operating income, including an operating loss of $8.6 million at our European refuse business.

Acquisitions contributed sales of $193.9 million, operating income of $14.2 million and earnings per share accretion of $0.08 per share in fiscal 2005. Also impacting fiscal 2005 results were cumulative life-to-date adjustments totaling $24.7 million to increase margins on our Medium Tactical Vehicle Replacement ("MTVR") base contract from 7.6% to 10.1%, or $0.21 per share. There were cumulative life-to-date adjustments totaling $19.5 million, or $0.17 per share, in last year's earnings. This contract was completed in June 2005.

Please move to slide 11.

Fourth Quarter Results

For the fourth quarter of fiscal 2005, earnings per share rose 38.1% to $0.58, exceeding our previous estimate for the quarter of $0.55. Consolidated sales were up 26.5% to $823.7 million in the fourth quarter compared to last year, with consolidated operating income up 49.6% to $74.0 million compared to last year.

A cumulative life-to-date adjustment of $5.3 million to increase margins on our MTVR base contract contributed $0.05 to earnings per share in last year's fourth quarter earnings.

At corporate, our operating expenses rose $4.7 million in the fourth quarter compared to the prior year, primarily due to higher personnel costs related to new hires, restricted stock awards granted last autumn, and higher incentive bonuses.

The Company's effective tax rate rose to 41.4% in the fourth quarter of fiscal 2005. The Company recorded a valuation allowance during the quarter of $0.03 per share related to deferred tax assets arising from certain net operating loss carryforwards in The Netherlands. Although our European refuse business swung to a slight operating profit in the fourth quarter, we continued to incur losses in The Netherlands.

Lastly, in the fourth quarter our cash position rose to $127.5 million, well ahead of our cash position at June 30, 2005 of $43.1 million. Late in September 2005, we received performance-based payments under certain defense contracts totaling about $35.0 million that we expected to collect in October 2005.

Turning to the performance of each segment, let's move to slide 12.

Fire and Emergency

Fire and emergency sales rose 6.4% to $211.4 million in the fourth quarter. Operating income rose 0.4% to $19.0 million, or 9.0% of sales, in the fourth quarter. The higher sales were driven by a strong order flow for fire apparatus offset by lower airport product sales. In the fourth quarter of fiscal 2004, airport product sales were exceptionally strong due to a large international sale. Operating income margins declined to

9.0% in the fourth quarter of fiscal 2005 from 9.5% in fiscal 2004 due to lower sales of higher-margin airport products and production inefficiencies associated with the consolidation of certain ambulance facilities. Operating income, however, exceeded our previous estimate by $1.6 million, primarily due to a strong performance at the Company's Pierce fire apparatus business.

Segment backlog grew 11.8% compared to the prior year.

Defense

Looking at the defense segment next, please turn to slide 13.

Defense sales rose 58.1% to $355.0 million in the fourth quarter. Sales of new and remanufactured heavy-payload trucks for the U.S. Army were up nearly 50% during the quarter. Parts and service sales also nearly doubled during the quarter.

Operating income rose 87.4% in the fourth quarter to $63.2 million, or 17.8% of sales. Fourth quarter margins were favorably impacted by an improved mix of relatively higher-margin new and remanufactured heavy-payload trucks and parts and service sales. Results in the fourth quarter of fiscal 2004 reflected relatively high sales of lower-margin MTVR base contract trucks and a cumulative life-to-date adjustment of $5.3 million to the margin on the MTVR base contract.

At September 30, 2005, our defense backlog was up 35.0% from prior year levels to $1.2 billion as we began to sign contracts related to the federal supplemental funding bill passed during our third fiscal quarter.

Commercial

Turning to the commercial segment, please move to slide 14. Compared to the prior year, sales were up 13.7% to $266.5 million, but operating income was down 6.6% to $4.5 million, or 1.7% of sales. Operating income in the segment exceeded our previous estimate by $0.8 million. The CON-E-CO and London acquisitions contributed sales of $21.7 million and operating income of $0.6 million during the quarter. Sales from other businesses in the segment grew 4.4%, while their operating income declined 19.7% for the quarter. Quite simply, operating income declined again this quarter because our selling price increases have not been enough to offset steel and component cost increases that we have experienced at McNeilus over the last year. The financial performance of the Geesink Norba Group, however, improved from an operating loss in the fourth quarter of fiscal 2004 to a small operating profit in the fourth quarter of fiscal 2005.

Concrete placement sales, other than sales of CON-E-CO and London, declined 12.2% during the fourth quarter compared to the prior year, while domestic refuse sales rose 37.2%. In the fourth quarter of fiscal 2004, such concrete placement sales were up sharply in this seasonally slower quarter. In fiscal 2005, the seasonal pattern of concrete placement sales returned to historic patterns. Concrete placement sales, other than sales of CON-E-CO and London, rose 9.8% during the full fiscal year 2005. Domestic refuse orders were robust all year, particularly from the largest U.S. waste haulers, resulting in an increase in domestic refuse sales of 31.2% for full year fiscal 2005. In European refuse, sales were up 13.5% in the fourth quarter and up 3.2% for the full fiscal year 2005.

Let me close out my review of the commercial segment by reviewing our backlogs in each product line. At September 30, 2005, rear-discharge unit backlog was up 15.4% compared to prior year levels, while our front-discharge unit backlog was down 6.0%. Our domestic refuse unit backlog was up 16.7% at September 30, 2005 compared to prior year levels, while Geesink Norba Group unit backlog was up 19.3% compared to prior year levels. Overall, commercial segment backlog was up 13.8% in dollars at September 30, 2005 compared to prior year levels.

Fiscal 2006 Outlook

Today, we also updated estimates for fiscal 2006 with very few changes, again assuming no acquisitions. Please turn to slide 15.

We anticipate our consolidated sales to approximate $3.25 billion to $3.35 billion in fiscal 2006, up approximately 10% to 13%, respectively, over fiscal 2005 sales. We increased the estimated ranges of both our consolidated and defense sales by $25.0 million.

Turning to slide 16, we continue to expect our consolidated operating income to approximate $297.5 to $310.0 million in fiscal 2006, or up approximately 11% to 16%, respectively, compared to fiscal 2005. The qualitative comments provided on this slide with regard to estimated operating income margins by segment in fiscal 2006 have changed little from our comments on our July earnings call other than to provide some additional specificity on the margin decline that we anticipate in defense in fiscal 2006. That said, we expect our defense operating income margins to decline about 200 basis points in fiscal 2006, largely because we expect no MTVR margin adjustments in fiscal 2006. Despite this margin decline, we expect our defense operating income to increase in fiscal 2006 due to a robust sales growth estimate reported on the previous slide.

Slide 17 provides additional estimates of interest expense, taxes and other areas.

On slide 18, we provide our earning per share estimates for fiscal 2006. We continue to expect earnings per share to approximate $2.40 to $2.50 per share in fiscal 2006, or up approximately 10% to 15%. We believe that earnings per share could decline to $0.50 to $0.55 per share in the first quarter of fiscal 2006 compared to $0.56 in the first quarter of fiscal 2005. During the first quarter of fiscal 2005, earnings benefited from a life-to-date adjustment of MTVR base contract margins of $8.5 million, the favorable settlements of product liability matters for $4.2 million, and a large international airport products sale. And, during the first quarter of fiscal 2006, the Company expects to incur additional costs to start-up its Pierce expansion and to bid the LVSR contract, among other matters. Now, we continue to expect about 55% of our fiscal 2006 earnings per share estimate to be recognized in the second and third quarters of the year. And, these earnings per share estimates for fiscal 2006 assume the adoption of accounting for stock option expense which we estimate will reduce fiscal 2006 earnings per share by $0.04 - $0.05.

Closing with slide 19, we continue to estimate that our capital spending in fiscal 2006 will approximate $60 million, a sharp increase over our spending in fiscal 2005 of $43.2 million. Quite simply, much of our announced spending on expansion capital projects at Pierce and our new product development facility in Oshkosh will be incurred in fiscal 2006. We expect our debt levels to remain in the $20 - $25 million range throughout fiscal 2006. Based on our strong cash position at September 30, 2005, we now believe cash will grow to approximately $175 to $225 million by September 30, 2006. We may use this cash in pursuit of our acquisitions strategy, or for stock repurchases and/or higher dividend payments to contribute to shareholder returns.

Bob will close our prepared remarks.

Bob:

We appreciate your time and interest today. We're proud of our performance this past year, and there are a number of driving forces, both internal and external, which make us quite optimistic about fiscal 2006:

- Our balance sheet is strong so we are well positioned to continue pursuing select acquisitions.
- We have made progress in our commercial business turnaround initiative and expect to make more.
- A lean culture is beginning to take hold.
- We are investing in new product development to help drive future growth.
- And, market conditions in all our end markets are solid.

We know what we need to do in 2006, and we are ready.

Operator, please begin the question and answer period.