UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2011

or

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

Commission File Number: 1-31371

Oshkosh Corporation

(Exact name of registrant as specified in its charter)

Wisconsin	**39-0520270**
(State or other jurisdiction	(I.R.S. Employer

of incorporation or organization)	Identification No.)
P.O. Box 2566	
Oshkosh, Wisconsin	**54903-2566**
(Address of principal executive offices)	(Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. x Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). o Yes x No

As of January 26, 2012, 91,541,717 shares of the registrant s Common Stock were outstanding.

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OSHKOSH CORPORATION

FORM 10-Q INDEX

FOR THE QUARTER ENDED DECEMBER 31, 2011

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

OSHKOSH CORPORATION

Condensed Consolidated Statements of Income

(In millions, except per share amounts; unaudited)

	Three Months Ended December 31, 2011	2010
Net sales	$ 1,878.6	$ 1,700.8
Cost of sales	1,656.1	1,391.8
Gross income	222.5	309.0
Operating expenses:		
Selling, general and administrative	132.3	125.0
Amortization of purchased intangibles	14.9	15.3
Total operating expenses	147.2	140.3
Operating income	75.3	168.7
Other income (expense):		
Interest expense	(20.6)	(26.5)
Interest income	0.6	0.7
Miscellaneous, net	(5.6)	(0.3)
Income from operations before income taxes and equity in earnings of unconsolidated affiliates	49.7	142.6
Provision for income taxes	11.1	44.0
Income from operations before equity in earnings of unconsolidated affiliates	38.6	98.6
Equity in earnings of unconsolidated affiliates	0.7	0.4
Net income	39.3	99.0
Net (income) loss attributable to the noncontrolling interest	(0.4)	0.6
Net income attributable to Oshkosh Corporation	$ 38.9	$ 99.6
Earnings per share attributable to Oshkosh Corporation common shareholders:		
Basic	$ 0.43	$ 1.10
Diluted	0.42	1.09

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

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OSHKOSH CORPORATION

Condensed Consolidated Balance Sheets

(In millions, except share and per share amounts; unaudited)

	December 31, 2011	September 30, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 440.3	$ 428.5
Receivables, net	929.7	1,089.1
Inventories, net	763.6	786.8
Deferred income taxes	61.2	72.9
Other current assets	72.2	77.3
Total current assets	2,267.0	2,454.6
Investment in unconsolidated affiliates	32.4	31.8
Property, plant and equipment, net	376.7	388.7
Goodwill	1,036.6	1,041.5
Purchased intangible assets, net	823.0	838.7
Other long-term assets	61.4	71.6
Total assets	$ 4,597.1	$ 4,826.9
Liabilities and Equity		
Current liabilities:		
Revolving credit facility and current maturities of long-term debt	$ 16.4	$ 40.1
Accounts payable	634.6	768.9
Customer advances	396.0	468.6
Payroll-related obligations	83.3	110.7
Income taxes payable	5.9	5.3
Accrued warranty	79.2	75.0
Deferred revenue	60.2	38.4
Other current liabilities	168.5	184.8
Total current liabilities	1,444.1	1,691.8
Long-term debt, less current maturities	1,003.8	1,020.0
Deferred income taxes	162.0	171.3
Other long-term liabilities	353.9	347.2
Commitments and contingencies		
Equity:		
Preferred Stock ($.01 par value; 2,000,000 shares authorized; none issued and outstanding)		
Common Stock ($.01 par value; 300,000,000 shares authorized; 91,445,971 and 91,330,019 shares issued, respectively)	0.9	0.9
Additional paid-in capital	688.0	685.6
Retained earnings	1,071.7	1,032.7
Accumulated other comprehensive loss	(127.8)	(122.6)
Common Stock in treasury, at cost (35,168 and 6,956 shares, respectively)		(0.1)
Total Oshkosh Corporation shareholders equity	1,632.8	1,596.5
Noncontrolling interest	0.5	0.1
Total equity	1,633.3	1,596.6
Total liabilities and equity	$ 4,597.1	$ 4,826.9

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

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OSHKOSH CORPORATION

Condensed Consolidated Statements of Equity

(In millions; unaudited)

	Oshkosh Corporation s Shareholders						
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury at Cost	Non-Controlling Interest	Comprehensive Income (Loss)
Balance at September 30, 2010	$ 0.9	$ 659.7	$ 759.2	$ (93.2)	$	$ 0.2	
Comprehensive income (loss):							
Net income			99.6			(0.6)	$ 99.0
Change in fair value of derivative instruments, net of tax of $2.1				3.6			3.6
Employee pension and postretirement benefits, net of tax of $0.8				1.5			1.5
Currency translation adjustments				(4.2)			(4.2)
Total comprehensive income							$ 99.9
Exercise of stock options		0.9					
Stock-based compensation and award of nonvested shares		4.2					
Tax benefit related to stock-based compensation		0.5					
Other		0.1					
Balance at December 31, 2010	$ 0.9	$ 665.4	$ 858.8	$ (92.3)	$	$ (0.4)	

	Oshkosh Corporation s Shareholders						
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury at Cost	Non-Controlling Interest	Comprehensive Income (Loss)
Balance at September 30, 2011	$ 0.9	$ 685.6	$ 1,032.7	$ (122.6)	$ (0.1)	$ 0.1	
Comprehensive income (loss):							
Net income			38.9			0.4	$ 39.3
Change in fair value of derivative instruments, net of tax of $0.8				1.4			1.4
Employee pension and postretirement benefits, net of tax of $0.9				1.5			1.5

Currency translation adjustments				(8.1)			(8.1)
Total comprehensive income							$ 34.1
Stock-based compensation and award of nonvested shares		2.6					
Other		(0.2)	0.1		0.1		
Balance at December 31, 2011	$ 0.9	$ 688.0	$ 1,071.7	$ (127.8)	$	$ 0.5	

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

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OSHKOSH CORPORATION

Condensed Consolidated Statements of Cash Flows

(In millions; unaudited)

	Three Months Ended December 31, 2011	2010
Operating activities:		
Net income	$ 39.3	$ 99.0
Depreciation and amortization	33.7	35.0
Deferred income taxes	0.7	6.7
Other non-cash adjustments	2.1	5.4
Changes in operating assets and liabilities	(13.9)	47.3
Net cash provided by operating activities	61.9	193.4
Investing activities:		
Additions to property, plant and equipment	(14.2)	(16.8)
Additions to equipment held for rental	(3.5)	(2.8)
Proceeds from sale of property, plant and equipment	2.7	
Proceeds from sale of equipment held for rental	1.1	2.6
Other investing activities	(0.3)	(2.1)
Net cash used by investing activities	(14.2)	(19.1)
Financing activities:		
Repayment of long-term debt	(40.0)	(65.1)
Repayments under revolving credit facility		(50.0)
Proceeds from exercise of stock options	0.7	0.9
Other financing activities	(0.6)	0.2
Net cash used by financing activities	(39.9)	(114.0)
Effect of exchange rate changes on cash	4.0	(0.5)
Increase in cash and cash equivalents	11.8	59.8
Cash and cash equivalents at beginning of period	428.5	339.0
Cash and cash equivalents at end of period	$ 440.3	$ 398.8
Supplemental disclosures:		
Cash paid for interest	$ 9.8	$ 14.6
Cash paid for income taxes	11.3	15.0

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

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OSHKOSH CORPORATION

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. Basis of Presentation

In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements contain all adjustments (which include normal recurring adjustments, unless otherwise noted) necessary to present fairly the financial position, results of operations and cash flows for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). These Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements and notes thereto included in Oshkosh Corporation s (the Company) Annual Report on Form 10-K for the year ended September 30, 2011. The interim results are not necessarily indicative of results for the full year.

2. New Accounting Standards

In June 2011, the Financial Accounting Standards Board (FASB) amended Accounting Standards Codification (ASC) Topic 220, *Comprehensive Income*, to require all non-owner changes in shareholders equity to be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. Under this amendment, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. An entity is required to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. An entity will no longer be permitted to present the components of other comprehensive income as part of the statement of equity. The Company will be required to adopt the new presentation requirements as of October 1, 2012. The adoption of the new presentation will not have a material impact on the Company s financial condition, results of operations or cash flows.

3. Receivables

Receivables consisted of the following (in millions):

	December 31, 2011	September 30, 2011
U.S. government:		
Amounts billed	$ 235.9	$ 318.8
Costs and profits not billed	173.9	172.3

		409.8		491.1
Other trade receivables		495.5		568.8
Finance receivables		7.5		23.6
Notes receivable		30.2		33.7
Other receivables		25.9		27.4
		968.9		1,144.6
Less allowance for doubtful accounts		(21.1)		(29.5)
	$	947.8	$	1,115.1

Costs and profits not billed generally result from undefinitized change orders on existing long-term contracts and not-to-exceed undefinitized contracts whereby the Company cannot invoice the customer the full price under the contract or contract change order until such contract or change order is definitized and agreed to with the customer following a review of costs under such a contract award even though the contract deliverables may have been met. Definitization of a change order on an existing long-term contract or a sole source contract begins when the U.S. government customer undertakes a detailed review of the Company s submitted costs related to the contract, with the final change order or contract price subject to review. The Company recognizes revenue on undefinitized contracts to the extent that it can reasonably and reliably estimate the expected final contract price and when collectability is reasonably assured. To the extent that contract definitization

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Notes to Condensed Consolidated Financial Statements

(Unaudited)

results in changes to previously estimated incurred costs or revenues, the Company records those adjustments as a change in estimate.

Classification of receivables in the Condensed Consolidated Balance Sheets consisted of the following (in millions):

	December 31, 2011	September 30, 2011
Current receivables	$ 929.7	$ 1,089.1
Long-term receivables	18.1	26.0
	$ 947.8	$ 1,115.1

Finance Receivables: Finance receivables represent sales-type leases resulting from the sale of the Company s products and the purchase of finance receivables from lenders pursuant to customer defaults under program agreements with finance companies. Finance receivables originated by the Company generally include a residual value component. Residual values are determined based on the expectation that the underlying equipment will have a minimum fair market value at the end of the lease term. This residual value accrues to the Company at the end of the lease. The Company uses its experience and knowledge as an original equipment manufacturer and participant in end markets for the related products along with third-party studies to estimate residual values. The Company monitors these values for impairment on a periodic basis and reflects any resulting reductions in value in current earnings. Finance receivables are written down once management determines that the specific borrower does not have the ability to repay the loan in full.

Finance receivables consisted of the following (in millions):

	December 31, 2011	September 30, 2011
Finance receivables	$ 8.5	$ 27.9
Less unearned income	(1.0)	(4.3)
Net finance receivables	7.5	23.6
Less allowance for doubtful accounts	(3.7)	(11.5)
	$ 3.8	$ 12.1

Contractual maturities of the Company s finance receivables at December 31, 2011 were as follows: 2012 (remaining nine months) - $3.6 million; 2013 - $1.9 million; 2014 - $1.4 million; 2015 - $0.8 million; 2016 - $0.4 million; 2017 - $0.1 million; and thereafter - $0.3 million. Historically, finance receivables have been paid off prior to their contractual due dates, although actual repayment timing is impacted by a number of factors, including the economic environment at the time. As a result, contractual maturities are not to be regarded as a forecast of future cash flows.

Delinquency is the primary indicator of credit quality of finance receivables. The Company maintains a general allowance for finance receivables considered doubtful of future collection based upon historical experience. Additional allowances are established based upon the Company s perception of the quality of the finance receivables, including the length of time the receivables are past due, past experience of collectability and underlying economic conditions. In circumstances where the Company believes collectability is no longer reasonably assured, a specific allowance is recorded to reduce the net recognized receivable to the amount reasonably expected to be collected. The terms of the finance agreements generally give the Company the ability to take possession of the underlying collateral. The Company may incur losses in excess of recorded allowances if the financial condition of its customers were to deteriorate or the full amount of any anticipated proceeds from the sale of the collateral supporting its customers financial obligations is not realized.

Notes Receivable: Notes receivable include refinancing of trade accounts and finance receivables. As of December 31, 2011, approximately 91% of the notes receivable balance outstanding was due from three parties. The Company routinely evaluates the creditworthiness of its customers and establishes reserves where the Company believes collectability is no longer reasonably assured. Notes receivable are written down once management determines that the specific borrower does

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Notes to Condensed Consolidated Financial Statements

(Unaudited)

not have the ability to repay the loan in full. Certain notes receivable are collateralized by a security interest in the underlying assets and/or other assets owned by the debtor. The Company may incur losses in excess of recorded allowances if the financial condition of its customers were to deteriorate or the full amount of any anticipated proceeds from the sale of the collateral supporting its customers financial obligations is not realized.

Quality of Finance and Notes Receivable: The Company does not accrue interest income on finance and notes receivables in circumstances where the Company believes collectability is no longer reasonably assured. Any cash payments received on nonaccrual finance and notes receivable are applied first to principal balances. The Company does not resume accrual of interest income until the customer has shown that it is capable of meeting its financial obligations by making timely payments over a sustained period of time. The Company determines past due or delinquency status based upon the due date of the receivable.

Finance and notes receivable aging and accrual status consisted of the following (in millions):

	Finance Receivables		Notes Receivable	
	December 31, 2011	September 30, 2011	December 31, 2011	September 30, 2011
Aging of receivables that are past due:				
Greater than 30 days and less than 60 days	$ 0.1	$ 0.5	$	$
Greater than 60 days and less than 90 days		0.1		
Greater than 90 days	2.1	6.5	0.3	0.5
Receivables on nonaccrual status	4.7	17.6	20.0	20.8
Receivables past due 90 days or more and still accruing				
Receivables subject to general reserves -	1.0	0.4	6.0	8.6
Allowance for doubtful accounts			(0.1)	(0.1)
Receivables subject to specific reserves -	6.5	23.2	24.2	25.1
Allowance for doubtful accounts	(3.7)	(11.5)	(8.6)	(8.8)

Receivables subject to specific reserves also include loans that have been modified in troubled debt restructurings as a concession to customers experiencing financial difficulty. To minimize the economic loss, the Company may modify certain finance and notes receivable. Modifications generally consist of restructured payment terms and time frames in which no payments are required. At December 31, 2011, restructured finance and notes receivable were $6.5 million and $24.2 million, respectively. Losses on troubled debt restructurings were not significant during the first quarter of fiscal 2012.

Changes in the Company s allowance for doubtful accounts were as follows (in millions):

	Three Months Ended December 31, 2011			
	Finance Receivables	Notes Receivable	Trade and Other Receivables	Total
Allowance for doubtful accounts at beginning of period	$ 11.5	$ 8.9	$ 9.1	$ 29.5
Provision for doubtful accounts, net of recoveries	(2.5)		0.6	(1.9)
Charge-off of accounts	(5.3)	(0.2)	(1.0)	(6.5)
Foreign currency translation				
Allowance for doubtful accounts at end of period	$ 3.7	$ 8.7	$ 8.7	$ 21.1

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Notes to Condensed Consolidated Financial Statements

(Unaudited)

	Three Months Ended December 31, 2010			
	Finance Receivables	Notes Receivable	Trade and Other Receivables	Total
Allowance for doubtful accounts at beginning of period	$ 20.9	$ 9.4	$ 11.7	$ 42.0
Provision for doubtful accounts, net of recoveries	(1.4)	3.4	(0.2)	1.8
Charge-off of accounts	(4.7)		(0.8)	(5.5)
Foreign currency translation		(0.1)		(0.1)
Allowance for doubtful accounts at end of period	$ 14.8	$ 12.7	$ 10.7	$ 38.2

4. Inventories

Inventories consisted of the following (in millions):

		December 31, 2011	September 30, 2011
Raw materials		$ 586.5	$ 587.4
Partially finished products		351.8	377.7
Finished products		349.4	237.8
Inventories at FIFO cost		1,287.7	1,202.9
Less:	Progress/performance-based payments on U.S. government contracts	(447.1)	(341.7)
	Excess of FIFO cost over LIFO cost	(77.0)	(74.4)
		$ 763.6	$ 786.8

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

5. Investments in Unconsolidated Affiliates

Investments in unconsolidated affiliates are accounted for under the equity method and consisted of the following (in millions):

	Percent-owned	December 31, 2011	September 30, 2011
OMFSP (U.S.)	50%	$ 14.2	$ 13.4
RiRent (The Netherlands)	50%	10.5	10.9
Other		7.7	7.5
		$ 32.4	$ 31.8

Recorded investments generally represent the Company s maximum exposure to loss as a result of the Company s ownership interest. Earnings or losses are reflected in Equity in earnings of unconsolidated affiliates in the Condensed Consolidated Statements of Income.

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Notes to Condensed Consolidated Financial Statements

(Unaudited)

The Company and an unaffiliated third-party are partners in Oshkosh/McNeilus Financial Services Partnership (OMFSP), a general partnership formed for the purpose of offering lease financing to certain customers of the Company. OMFSP has historically engaged in providing vendor lease financing to certain customers of the Company. OMFSP has not actively solicited new leases in the past twelve months. The Company has historically sold vehicles, vehicle bodies and concrete batch plants to OMFSP for lease to user-customers.

The Company and an unaffiliated third-party are joint venture partners in RiRent Europe, B.V. (RiRent). RiRent maintains a fleet of access equipment for short-term lease to rental companies throughout most of Europe. The re-rental fleet provides rental companies with equipment to support requirements on short notice. RiRent does not provide services directly to end users. The Company had no sales to RiRent in the three months ended December 31, 2011. The Company s sales to RiRent were $1.0 million for the three months ended December 31, 2010. The Company recognizes income on sales to RiRent at the time of shipment in proportion to the outside third-party interest in RiRent and recognizes the remaining income ratably over the estimated useful life of the equipment, which is generally five years. Indebtedness of RiRent is secured by the underlying leases and assets of RiRent. All such RiRent indebtedness is non-recourse to the Company and its partner. Under RiRent s 15.0 million bank credit facility, the partners of RiRent have committed to maintain an overall equity to asset ratio of at least 30.0% (68.5% as of December 31, 2011).

6. Property, Plant and Equipment

Property, plant and equipment consisted of the following (in millions):

	December 31, 2011	September 30, 2011
Land and land improvements	$ 46.1	$ 46.2
Buildings	241.4	243.8
Machinery and equipment	519.4	521.5
Equipment on operating lease to others	24.1	23.0
	831.0	834.5
Less accumulated depreciation	(454.3)	(445.8)
	$ 376.7	$ 388.7

Depreciation expense was $17.6 million and $18.3 million for the three months ended December 31, 2011 and 2010, respectively. Equipment on operating lease to others represents the cost of equipment shipped to customers for whom the Company has guaranteed the residual value and equipment on short-term lease. These transactions are accounted for as operating leases with the related assets capitalized and depreciated over their estimated economic lives of five to ten years. Cost less accumulated depreciation for equipment on operating lease at December 31, 2011 and September 30, 2011 was $8.5 million and $6.5 million, respectively.

7. Goodwill and Purchased Intangible Assets

Goodwill and other indefinite-lived intangible assets are not amortized, but are reviewed for impairment annually, or more frequently if potential interim indicators exist that could result in impairment. The Company performs its annual impairment test in the fourth quarter of its fiscal year.

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OSHKOSH CORPORATION

Notes to Condensed Consolidated Financial Statements

(Unaudited)

The following table presents changes in goodwill during the three months ended December 31, 2011 (in millions):

	Access Equipment	Fire & Emergency	Commercial	Total
Net goodwill at September 30, 2011	$ 912.2	$ 107.9	$ 21.4	$ 1,041.5
Translation	(5.0)		0.1	(4.9)
Net goodwill at December 31, 2011	$ 907.2	$ 107.9	$ 21.5	$ 1,036.6

The following table presents details of the Company's goodwill allocated to the reportable segments (in millions):

	December 30, 2011			September 30, 2011		
	Gross	Accumulated Impairment	Net	Gross	Accumulated Impairment	Net
Access Equipment	$ 1,839.3	$ (932.1)	$ 907.2	$ 1,844.3	$ (932.1)	$ 912.2
Fire & Emergency	182.1	(74.2)	107.9	182.1	(74.2)	107.9
Commerical	197.4	(175.9)	21.5	197.3	(175.9)	21.4
	$ 2,218.8	$ (1,182.2)	$ 1,036.6	$ 2,223.7	$ (1,182.2)	$ 1,041.5

Details of the Company's total purchased intangible assets were as follows (in millions):

	December 31, 2011			
	Weighted-Average Life	Gross	Accumulated Amortization	Net
Amortizable intangible assets:				
Distribution network	39.1	$ 55.4	$ (21.1)	