

# Canadian International Trade Tribunal Rules in Favor of Oshkosh Defense Canada for MSVS SMP Challenge

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## *CITT Recommends Re-evaluation of Oshkosh Bid and/or Monetary Compensation*

OTTAWA, Ontario--(BUSINESS WIRE)-- Oshkosh Defense Canada, Inc., an Oshkosh Corporation (NYSE: OSK) company, announced today that the Canadian International Trade Tribunal (CITT) ruled in the Company's favor regarding its legal challenge to the Medium Support Vehicle System (MSVS) Standard Military Pattern (SMP) contract award decision. CITT's ruling recommends that Canada's Department of Public Works and Government Services take action, including re-evaluation of Oshkosh's bid and physical re-evaluation of vehicles, and/or monetary compensation to Oshkosh.

"We are pleased with CITT's ruling, which validates our concerns and defends the fair and transparent procurement process that the Canadian Government strives to implement," said Wilson Jones, president and chief executive officer of Oshkosh Corporation. "Following years of work and investment, the Oshkosh team firmly believes we offered the most capable vehicle for the Department of National Defence, and overall best value for Canada. While we are disappointed in the significant errors found in the conduct of the MSVS evaluation process, we look forward to a fair and timely implementation of the Tribunal's recommendations."

As part of its determination, CITT recommended the following actions to the Department of Public Works and Government Services:

- Conduct a re-evaluation of the bid submitted by Oshkosh, including a physical re-evaluation of the vehicle test protocols, and/or payment of compensation to Oshkosh.
- Compensate Oshkosh for its reasonable costs incurred in preparing and proceeding with the CITT complaint.

The MSVS SMP contract award was announced in July 2015 and valued at \$834 million (CAD). Oshkosh initiated the Challenge process, which is the legal process designed to provide an independent review of Canadian Government procurements, for the MSVS SMP contract award decision announced on January 6, 2016. Following a four month review, the CITT in part validated Oshkosh's claims related to procurement processes, technical compliance and testing protocols shortfalls during the MSVS SMP evaluation.

The CITT decision issued on May 20, 2016 indicates that a statement of reasons will be issued at a later date.

## **About Oshkosh Defense**

Oshkosh Defense is a leading provider of tactical wheeled vehicles and life cycle sustainment services worldwide. Oshkosh Defense Canada, Inc. is a wholly-owned subsidiary of Oshkosh Defense, LLC, located in Ottawa, Ontario.

For decades Oshkosh Defense has been mobilizing military and security forces around the globe by offering a full portfolio of heavy, medium, light and highly protected military vehicles to support our customers' missions. In addition, Oshkosh offers advanced technologies and vehicle components such as TAK-4<sup>®</sup> independent suspension systems, TerraMax<sup>®</sup> unmanned ground vehicle solutions, Command Zone<sup>™</sup> integrated control and diagnostics system, and ProPulse<sup>®</sup> diesel electric and on-board vehicle power solutions, to provide our customers with a technical edge as they fulfill their missions. Every Oshkosh vehicle is backed by a team of defense industry experts and complete range of sustainment and training services to optimize fleet readiness and performance. Oshkosh Defense, LLC is an Oshkosh Corporation company [NYSE: OSK].

To learn more about Oshkosh Defense, please visit us at [www.oshkoshdefense.com](http://www.oshkoshdefense.com).

## **About Oshkosh Corporation**

Oshkosh Corporation is a leading designer, manufacturer and marketer of a broad range of access equipment, commercial, fire & emergency, military and specialty vehicles and vehicle bodies. Oshkosh Corporation manufactures, distributes and services products under the brands of Oshkosh<sup>®</sup>, JLG<sup>®</sup>, Pierce<sup>®</sup>, McNeilus<sup>®</sup>, Jerr-Dan<sup>®</sup>, Frontline<sup>™</sup>, CON-E-CO<sup>®</sup>, London<sup>®</sup> and IMT<sup>®</sup>. Oshkosh products are valued worldwide by rental companies, concrete placement and refuse collection businesses, fire & emergency departments, municipal and airport services and defense forces, where high quality, superior performance, rugged reliability and long-term value are paramount. For more information, please visit [www.oshkoshcorporation.com](http://www.oshkoshcorporation.com).

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## **Forward-Looking Statements**

This press release contains statements that the Company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including, without limitation, statements regarding the Company's future financial position, business strategy, targets, projected sales, costs, earnings, capital expenditures, debt levels and cash flows, and plans and objectives of management for future operations, are forward-looking statements. When used in this press release, words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "project" or "plan" or the negative thereof or variations thereon or similar terminology are generally intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond the Company's control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the cyclical nature of the Company's access equipment, commercial and fire & emergency markets, which are particularly impacted by the strength of U.S. and European economies and construction seasons; the Company's estimates of access equipment demand which, among other factors, is influenced by customer historical buying patterns and rental company fleet replacement strategies; the strength of the U.S. dollar and its impact on Company exports, translation of foreign sales and purchased materials; the expected level and timing of U.S. Department of Defense ("DoD") and international defense customer procurement of products and services and funding or payments thereof; the Company's ability to utilize material and components which it has committed to purchase from suppliers; higher material costs resulting from production variability due to uncertainty of timing of funding or payments from international defense customers; risks related to reductions in government expenditures in light of U.S. defense budget pressures, sequestration and an uncertain DoD tactical wheeled vehicle strategy; the impact of any DoD solicitation for competition for future

contracts to produce military vehicles, including a future Family of Medium Tactical Vehicle production contract; the Company's ability to increase prices to raise margins or offset higher input costs; increasing commodity and other raw material costs, particularly in a sustained economic recovery; risks related to facilities expansion, consolidation and alignment, including the amounts of related costs and charges and that anticipated cost savings may not be achieved; global economic uncertainty, which could lead to additional impairment charges related to many of the Company's intangible assets and/or a slower recovery in the Company's cyclical businesses than Company or equity market expectations; projected adoption rates of work at height machinery in emerging markets; the impact of severe weather or natural disasters that may affect the Company, its suppliers or its customers; risks related to the collectability of receivables, particularly for those businesses with exposure to construction markets; the cost of any warranty campaigns related to the Company's products; risks related to production or shipment delays arising from quality or production issues; risks associated with international operations and sales, including compliance with the Foreign Corrupt Practices Act; the Company's ability to comply with complex laws and regulations applicable to U.S. government contractors; cybersecurity risks and costs of defending against, mitigating and responding to a data security breach; and risks related to the Company's ability to successfully execute on its strategic road map and meet its long-term financial goals. Additional information concerning these and other factors is contained in the Company's filings with the Securities and Exchange Commission. All forward-looking statements speak only as of the date of this press release. The Company assumes no obligation, and disclaims any obligation, to update information contained in this press release. Investors should be aware that the Company may not update such information until the Company's next quarterly earnings conference call, if at all.



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