

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____ COMMISSION FILE NUMBER 1-10235

INDEX CORPORATION
(Exact Name of Registrant As Specified in Its Charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

36-3555336
(I.R.S. Employer Identification No.)

630 DUNDEE ROAD
NORTHBROOK, ILLINOIS
(Address of principal executive offices)

60062
(Zip Code)

Registrant's telephone number, including area code: (847) 498-7070
SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS

NAME OF EACH EXCHANGE ON WHICH REGISTERED

COMMON STOCK, PAR VALUE \$.01 PER SHARE

NEW YORK STOCK EXCHANGE
CHICAGO STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by nonaffiliates of IDEX Corporation as of December 31, 1996 was \$487,210,569.

The number of shares outstanding of IDEX Corporation's common stock, par value \$.01 per share (the "Common Stock"), as of February 5, 1997 was 29,146,410.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 1996 annual report to shareholders of IDEX Corporation (the "1996 Annual Report") are incorporated by reference into Parts I and II of this Form 10-K and portions of the definitive Proxy Statement of IDEX Corporation (the "1997 Proxy Statement") with respect to the 1997 annual meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

PART I

ITEM 1. BUSINESS.

IDEX Corporation ("IDEX" or the "Company") designs, manufactures and markets a broad range of fluid handling and industrial products serving a diverse customer base in the U.S. and internationally. IDEX competes with relatively few major manufacturers in most of its markets, and believes that each of its twelve principal subsidiaries (the "Subsidiaries") has a significant domestic market share in its principal product area. The Company manufactures proprietary products of its own design with an engineering content. Generally, all of the Company's businesses compete on the basis of performance, quality, service and price.

FLUID HANDLING GROUP

The Fluid Handling Group, which in 1996 accounted for 75% of the Company's total sales, manufactures a wide variety of industrial pumps and controls, fire-fighting pumps and rescue tools, dispensing and mixing equipment, lubrication systems and low-horsepower compressors. In 1996, approximately 41% of this Group's sales were to customers outside the U.S. The eight business units comprising this Group are described below.

CORKEN. Corken, headquartered in Oklahoma City, Oklahoma, produces low-horsepower compressors, vane and turbine pumps, and valves used for the transfer of liquefied petroleum gas ("LPG"), compressed natural gas, and other gaseous substances.

Management believes Corken has approximately 50% of the market for pumps and small-horsepower compressors used in LP gas distribution facilities. Its principal competitor in this market is the Blackmer division of Dover Corporation. Corken faces many significant competitors in the industrial (non-LPG distribution) segment of its business. Most of Corken's sales are made through domestic and international distributors which incorporate Corken's products into engineered packages sold to ultimate users. Shipments outside the U.S. represent approximately 40% of Corken's sales.

FLUID MANAGEMENT. Fluid Management, acquired July 29, 1996 for approximately \$135 million, has its headquarters and a manufacturing facility in Wheeling, Illinois. Manufacturing facilities are also located in Sassenheim, Netherlands; Norderstedt, Germany; and Unanderra, Australia with sales and distribution facilities worldwide. Approximately 55% of sales are from outside the U.S.

Fluid Management is the world's leading manufacturer of dispensing and mixing equipment that precisely meters and mixes a wide variety of liquids including paints, colorants, inks, dyes and other liquids and pastes. Its products, sold under such names as Miller(R), Harbil(R), Accutinter(R) and Eurotinter, can be found in local paint and building supply stores, paint plants, vehicle manufacturing facilities, and other locations where fluids are dispensed and mixed in precise volumes. Management believes Fluid Management has a 50% worldwide market share.

HALE PRODUCTS. Hale has its headquarters and a manufacturing facility in Conshohocken, Pennsylvania. It also has production facilities in Shelby, North Carolina; St. Joseph, Tennessee; Warwick, England; and Erlangen, Germany and service and distribution centers in Dieburg, Germany and Singapore.

Hale is the world's leading manufacturer of truck-mounted fire-fighting pumps and manufactures a wide range of portable, mobile and freestanding pumping units. Hale also is the world's leading manufacturer of rescue tool systems with the Hurst Jaws of Life(R) and Lukas rescue systems. It is estimated to have a worldwide market share for truck-mounted fire-fighting pumps and rescue systems in excess of 50%. Hale's principal competitor in the U.S. truck-mounted fire-fighting pump market is the Waterous Company, a subsidiary of American Cast Iron Pipe Company.

Sales of Hale's truck-mounted fire-fighting pumps are made directly to manufacturers of fire trucks, while portable pumps and rescue tools are generally sold through independent distributors. Approximately 50% of Hale's sales are to customers outside the U.S.

LUBRIQUIP. Lubriquip is headquartered in Warrensville Heights, Ohio and also has manufacturing plants in McKees Rocks, Pennsylvania, and Madison, Wisconsin and sales offices in Antwerp, Belgium and Singapore. Its products include a wide range of centralized oil and grease lubrication systems and force-feed lubricators marketed under the Trabon, Manzel, Grease Jockey, Kipp and OPCO trademarks for use in

general industrial and transportation applications. Lubriquip offers a wide variety of customized systems using selected standard components to meet specific customer requirements. Lubriquip is subject to competition from several companies in both the domestic and international markets; however, management estimates that Lubriquip is the largest U.S. producer of such systems with approximately one-third of the domestic market for centralized lubricating systems.

Lubriquip's system components include pumps and pump packages for pneumatic, mechanical, electric and hydraulic operations; metering devices; electronic controllers; monitors and timers; and accessories. These systems are sold through independent distributors to a wide range of industrial markets, including machine tools (both automotive and general purpose), chemical processing, construction equipment, food processing machinery, engine and compressor, railroad, and over-the-road truck industries. Lubriquip's products are available worldwide through over 100 independent distributors, with international sales representing approximately 20% of total shipments. Through these networks, Lubriquip also provides an extensive support system of application engineering, service and repair parts for its products.

MICROPUMP. Micropump has its headquarters and principal manufacturing facilities in Vancouver, Washington, and also has operations in St. Neots, England. Micropump, the leader in corrosion-resistant, magnetically-driven miniature pump technology with an estimated 40% market share, is subject to competition from several companies.

Micropump's products include pumps and fluid management systems for low-flow abrasive and corrosive applications such as inks, dyes, solvents, chemicals, petrochemicals, acids and chlorides. Micropump products are used in a variety of industries including chemical processing, laboratory, medical, printing, electronics, pulp and paper, water treatment and textiles. Management estimates that 50% of Micropump's sales are to customers outside the U.S.

PULSAFEEDER. Pulsafeeder has its headquarters and a manufacturing facility in Rochester, New York. It also manufactures products in Punta Gorda, Florida, and has sales offices in Singapore and Beijing, China. Pulsafeeder designs and markets a wide range of metering pumps and controls. These products precisely regulate the flow of liquids in mixing and blending applications. Primary markets served are water and wastewater treatment, chemical and hydrocarbon processing, food processing, and warewash institutional.

Pulsafeeder products are grouped into three categories: engineered pumps, standard pumps and electronic controls. Engineered pumps, designed and manufactured in Rochester, New York, include positive displacement, hydraulically-actuated diaphragm pumps used in precise metering applications in such industries as electric/gas utilities, chemical processing, petroleum refining and pharmaceuticals, as well as specialty pumps targeted at niche markets, including pumps designed to handle highly corrosive chemicals. Standard pumps, manufactured in Punta Gorda, Florida, represent a growing portion of Pulsafeeder's business, and include metering pumps designed for water treatment and water conditioning applications. Electronic controls, also manufactured in Punta Gorda, Florida, are of advanced microprocessor-based design, and are used to control the chemical composition of fluids being pumped, including such applications as recirculating systems for cooling towers and boilers, and in the water treatment market.

Pulsafeeder pumps are sold through an extensive network of company sales personnel and independent representatives. Management believes that Pulsafeeder has approximately 40% of the domestic market for metering pumps used in the process industries and water treatment markets. Approximately 25% of its sales are outside of the U.S. Pulsafeeder's principal competitor is Milton Roy, a unit of Sundstrand Corporation.

VIKING PUMP. Viking Pump, headquartered in Cedar Falls, Iowa, is the largest business unit in the Company's Fluid Handling Group and is one of the world's largest producers of positive displacement rotary gear pumps (Viking's main product) and spur gear pumps. Management believes that Viking pumps, which are classified as rotary gear pumps, represent approximately 35% of the domestic rotary gear pump market. Viking's principal rotary pump competitors are Roper Industries and the Blackmer division of Dover Corporation. Viking's other products include rotary lobe and metering pumps, speed reducers, flow dividers and basket-type line strainers.

Viking pumps are used by numerous industries such as the chemical, petroleum, food, pulp and paper, machinery and construction industries. Viking is not dependent on any one industry for a substantial percentage of its sales. Sales of Viking pumps and replacement parts are made through approximately 100 independent distributors and directly to original equipment manufacturers. Approximately 35% of Viking's sales occur outside of the U.S. In addition to its facilities in Cedar Falls, Iowa, Viking also maintains manufacturing facilities in Eastbourne, England; Windsor, Ontario, Canada; Shannon, Ireland; and has sales offices in Alphen, Netherlands; Singapore; Toronto, Ontario, Canada; and Beijing, China.

Viking operates two foundries in Cedar Falls, Iowa which supply a majority of Viking's castings requirements. In addition, these foundries sell a variety of castings to outside customers.

WARREN RUPP. Warren Rupp is a producer of air-operated and motor-driven double-diaphragm pumps, generally sold under the SandPIPER trade name. This business unit is headquartered in Mansfield, Ohio and has a distribution and assembly facility in Shannon, Ireland to serve the European market and a sales office in Singapore. Warren Rupp's principal competitor is Wilden Pump and Engineering Co. Management believes that Warren Rupp has approximately one-third of the domestic market for air-operated double-diaphragm pumps.

Warren Rupp's pumps are well suited for pumping liquids, slurries and solids in suspension. Its pump models are made from cast iron, stainless steel and non-metallic composites to meet requirements to pump various types of material. End-user markets include the paint, chemical, mining, construction, and automotive service industries. Warren Rupp pumps are sold through a network of independent distributors and directly to a small number of original equipment manufacturers. Sales outside of the U.S. represent approximately 45% of Warren Rupp sales.

INDUSTRIAL PRODUCTS GROUP

The Industrial Products Group, which in 1996 accounted for 25% of the Company's total sales, manufactures sheet metal fabricating equipment and tooling, stainless steel banding and clamping devices, vibration control devices, and sign-mounting products and systems. In 1996, approximately 41% of this Group's sales were to customers outside the U.S. The four business units comprising this Group are described below.

BAND-IT. Band-It, headquartered in Denver, Colorado, is one of the largest worldwide producers of stainless steel bands, buckles and preformed clamps and related installation tools. Its clamps are used to secure hoses to nipples, devices to pipes and poles, signs to sign standards, fences to posts, insulation to pipes, and for hundreds of other industrial clamping functions. Band-It also has developed an exclusive line of tools for installing its clamping devices.

Management believes that Band-It has approximately 50% of the domestic market for quality stainless steel bands and buckles; however, it is subject to competition from several companies in both the domestic and international markets. Band-It markets its products domestically and internationally. It has manufacturing and distribution facilities in Staveley, England and in Singapore to serve the European and Pacific Basin markets. International sales account for approximately 50% of Band-It's sales. Its products are sold through a worldwide network of nearly 4,000 distributors to a wide range of markets, including the transportation, utilities, mining, oil and gas, industrial maintenance, construction, communication and electronics industries.

SIGNFIX. Signfix has its headquarters and a manufacturing facility near Bristol, England with another manufacturing facility in Tipton, England. Signfix also has a distribution facility in Germany.

Signfix, the leading U.K.-based manufacturer of sign-mounting devices and related equipment with an estimated 45% U.K. market share, is subject to competition from several companies. Signfix products include road, traffic and commercial sign-mounting systems, and stainless steel bands and clamps for various municipal, commercial and industrial applications. Management estimates that 20% of Signfix sales are to customers outside the U.K.

STRIPPIT. Strippit, headquartered in Akron, New York, with sales and service offices in Swindon, England; Paris, France; Singapore; and Beijing, China, is the largest business unit in the Company's Industrial Products Group and is a manufacturer of a broad range of sheet metal fabricating equipment and tooling.

Strippit produces equipment which incorporates a high proportion of state-of-the-art technology and has numerous active patents in machine tool technology, none of which is individually material to its operations. Strippit's products include single station semi-automatic fabricators; advanced computer-controlled turret punching machines (including models with plasma arc or laser cutting heads); punches, dies and related tooling items; load/unload systems for use in conjunction with Strippit's equipment; and hand-operated metal forming machines for use in industries which utilize light gauges of sheet metal. Strippit also is a distributor of Burgmaster metal-cutting machines and parts. Strippit's products are sold through a combination of direct sales, and independent distributors and agents to a large and diverse customer base, including customers in the electronics, office, farm and hospital equipment markets. Approximately 35% of Strippit's total sales are to customers outside the U.S.

Strippit is one of the largest domestic producers of its type of metal fabricating equipment, and management believes it has approximately 25% of the domestic market for numerically controlled punching machines. Its principal competitor, U.S. Amada, Ltd., is a Japanese firm which, based on its combined domestic production and imports, is currently believed to have a somewhat larger share of the numerically controlled punching machine market in the U.S.

VIBRATECH. Vibratech, headquartered in Alden, New York, produces a broad line of engineered long-life mechanical energy absorption devices, providing vibration and motion control for transportation equipment, machinery manufacturers and other users. Vibratech's three major product lines are: viscous torsional vibration dampers used primarily for heavy duty diesel and high-horsepowered motorsport engines and transmissions; fluid and friction ride control products for rail, truck and vehicle manufacturers; and specialized aircraft vibration and motion control dampers. The largest portion of its sales are made directly to original equipment manufacturers who also service the replacement parts market.

Vibratech's principal competitor in the viscous torsional vibration damper market for heavy duty diesel engines is a U.K.-based subsidiary of Cummins Engine, Inc., which serves the damper requirements of Cummins Engine in the U.S. market. Management believes that Vibratech has approximately 40% of the domestic market for viscous torsional vibration dampers, including that portion serviced by captive producers. Sales outside the U.S. are approximately 10% of Vibratech's total sales.

GENERAL ASPECTS APPLICABLE TO THE COMPANY'S BUSINESS GROUPS

EMPLOYEES. At December 31, 1996, IDEX had approximately 3,600 employees, of which approximately one-fourth were represented by labor unions with various contracts expiring through June 2000. Management believes that its relationship with employees is generally good. While no assurances can be given, management believes that the Company will be able to satisfactorily renegotiate its collective bargaining agreements.

SUPPLIERS. IDEX manufactures many of the parts and components used in its products. Substantially all materials, parts and components purchased by IDEX are available from multiple sources.

INVENTORY AND BACKLOG. Backlogs do not have material significance in either of the Company's business segments. The Company regularly and systematically adjusts production schedules and quantities based on the flow of incoming orders. While total inventory levels may also be affected by changes in orders, the Company generally tries to maintain relatively stable inventory levels based on its assessment of the requirements of the various industries served.

SEGMENT INFORMATION. For segment financial information for the years 1996, 1995 and 1994 see the table presented on page 17 under "Management's Discussion and Analysis of Financial Condition and Results of Operations," as set forth in the 1996 Annual Report and incorporated herein by reference, and Note 11 of the "Notes to Consolidated Financial Statements" on page 28 of the 1996 Annual Report, which is incorporated herein by reference.

EXPORTS. For export information for the years 1996, 1995 and 1994, see Note 11 of the "Notes to Consolidated Financial Statements" on page 28 of the 1996 Annual Report, which is incorporated herein by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the names of the executive officers of the Company, their ages, the positions and offices with the Company held by them, and their business experience during the past 5 years.

NAME ----	POSITION WITH IDEX AND BUSINESS EXPERIENCE -----
Donald N. Boyce (Age 58).....	Chairman of the Board, President and Chief Executive Officer since prior to January 1992.
Frank J. Hansen (Age 55).....	Senior Vice President -- Operations and Chief Operating Officer since August 1994; Vice President -- Group Executive from January 1993 to July 1994; President of Viking Pump, Inc. from prior to January 1992 to July 1994.
Wayne P. Sayatovic (Age 51).....	Senior Vice President -- Finance, Chief Financial Officer and Secretary since August 1994; Vice President -- Finance, Chief Financial Officer and Secretary from January 1992 to July 1994.
Mark W. Baker (Age 49).....	Vice President -- Group Executive since August 1994; President of Lubriquip, Inc. since prior to January 1992.
Jerry N. Derck (Age 50).....	Vice President -- Human Resources since November 1992; Vice President -- Human Resources, North America of Tupperware Corporation, a subsidiary of Premark International from prior to January 1992 to October 1992.
P. Peter Merkel, Jr. (Age 63).....	Vice President -- Group Executive since October 1995; President of Band-It IDEX, Inc. since prior to January 1992.
Wade H. Roberts, Jr. (Age 50).....	Vice President -- Group Executive since January 1993; President of Hale Products, Inc. since May 1994; President of Strippit, Inc. from prior to January 1992 to April 1994.
Clinton L. Kooman (Age 53).....	Controller since November 1995; Assistant Controller of Manufacturing Accounting from prior to January 1992 to November 1995.
Douglas C. Lennox (Age 44).....	Treasurer since November 1995; Vice President -- Controller of Lubriquip, Inc. from prior to January 1992 to November 1995.

The Company's executive officers are elected at a meeting of the Board of Directors immediately following the annual meeting of shareholders, and they serve until the next annual meeting of the Board, or until their successors are duly elected.

ITEM 2. PROPERTIES.

The Company's principal plants and offices have an aggregate floor space area of approximately 2.4 million square feet, of which 1.8 million square feet (75%) are located in the U.S., and approximately .6 million (25%) are located outside the U.S., primarily in the U.K. (8%), Germany (7%) and the Netherlands (4%). These facilities are considered to be suitable and adequate for their operations. Management believes that utilization of manufacturing capacity ranges from 50% to 80% in each facility. The Company's executive offices occupy approximately 10,000 square feet of leased space in Northbrook, Illinois.

Approximately 1.9 million square feet (79%) of the principal plant and office floor area is owned by the Company, and the balance is held under lease. Approximately 1.9 million square feet (79%) of the principal plant and office floor area is held by business units in the Fluid Handling Group and .5 million square feet (21%) is held by business units in the Industrial Products Group.

ITEM 3. LEGAL PROCEEDINGS.

The Company and the Subsidiaries are party to various legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on the Company's business or financial condition.

The Subsidiaries are subject to extensive federal, state and local laws, rules and regulations pertaining to environmental, waste management and health and safety matters. Permits are or may be required for some of the Subsidiaries' facilities and waste-handling activities and these permits are subject to revocation, modification and renewal. In addition, risks of substantial costs and liabilities are inherent in the Subsidiaries' operations and facilities, as they are with other companies engaged in similar industries, and there can be no assurance that such costs and liabilities will not be incurred. The Company is not aware of any environmental, health or safety matter which could, individually or in the aggregate, materially adversely affect the business or financial condition of the Company or any of its Subsidiaries.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS.

Information regarding the prices of and dividends on the Common Stock, and certain related matters, is incorporated herein by reference to "Shareholder Information" at page 33 of the 1996 Annual Report.

The principal market for the Common Stock is the New York Stock Exchange. As of February 5, 1997, the Common Stock was held by 1,309 shareholders and there were 29,146,410 shares of Common Stock outstanding.

ITEM 6. SELECTED FINANCIAL DATA.

The information set forth under "Historical Data" at page 15 of the 1996 Annual Report is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" at pages 16 to 19 of the 1996 Annual Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements of IDEX, including the Notes thereto, together with the independent auditors' report thereon of Deloitte & Touche LLP at pages 20 to 30 of the 1996 Annual Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Certain information regarding the directors of the Company is incorporated herein by reference to the information set forth under "Election of Directors" at pages 2 to 6 of the 1997 Proxy Statement.

Information regarding executive officers of the Company is incorporated herein by reference to Item 1 of this report under the caption "Executive Officers of the Registrant" at page 5.

Certain information regarding compliance with Section 16(a) of the Securities and Exchange Act of 1934, as amended, is incorporated herein by reference to the information set forth under "Compliance with Section 16(a) of the Exchange Act" at page 17 of the 1997 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is incorporated by reference to the materials under the caption "Compensation of Directors and Executive Officers" at pages 7 to 13 of the 1997 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference set forth under "Principal Shareholders" at pages 14 to 15 of the 1997 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information regarding certain relationships and related transactions is incorporated herein by reference to the information set forth under "Election of Directors -- Certain Interests" at page 6 of the 1997 Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(A) 1. Financial Statements

The following financial statements are incorporated herein by reference to the 1996 Annual Report.

	1996 ANNUAL REPORT PAGE -----
Consolidated Balance Sheets as of December 31, 1996 and 1995.....	20
Statements of Consolidated Operations for the Years Ended December 31, 1996, 1995 and 1994.....	21
Statements of Consolidated Shareholders' Equity for the Years Ended December 31, 1996, 1995 and 1994.....	22
Statements of Consolidated Cash Flows for the Years Ended December 31, 1996, 1995 and 1994.....	23
Notes to Consolidated Financial Statements.....	24-29
Independent Auditors' Report.....	30

1996 FORM
10-K PAGE

2. Financial Statement Schedule	
(a) Independent Auditors' Report.....	9
(b) Schedule II -- Valuation and Qualifying Accounts.....	9
All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements of IDEX or the Notes thereto.	

3. Exhibits

The exhibits filed with this report are listed on the "Exhibit Index."

(B) Reports on Form 8-K

In a report on Form 8-K dated July 29, 1996 and filed with the Securities and Exchange Commission on October 15, 1996, the Company reported the purchase of certain assets and assumption of certain liabilities of Fluid Management Limited Partnership for approximately \$133 million and issuance of 75,700 shares (113,550 shares, as adjusted to reflect the 3-for-2 common stock dividend effective January 31, 1997) of IDEX Common Stock.

INDEPENDENT AUDITORS' REPORT

IDEX Corporation:

We have audited the financial statements of IDEX Corporation and its Subsidiaries as of December 31, 1996 and 1995 and for each of the three years in the period ended December 31, 1996, and have issued our report thereon, dated January 21, 1997; such financial statements and report are included in your 1996 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the financial statement schedule of IDEX Corporation, listed in Item 14. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth herein.

Deloitte & Touche LLP
Chicago, Illinois

January 21, 1997

IDEX CORPORATION AND SUBSIDIARIES
SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

DESCRIPTION	BALANCE BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	DEDUCTIONS (1)	OTHER	BALANCE END OF YEAR
-----	-----	-----	-----	-----	-----
	(IN THOUSANDS)				
Year Ended December 31, 1996:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts.....	\$2,159	\$1,516	\$1,600	\$ 312	\$2,387
Year Ended December 31, 1995:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts.....	1,822	1,557	1,006	(214)	2,159
Year Ended December 31, 1994:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts.....	1,174	591	484	541	1,822

(1) Represents uncollectible accounts, net of recoveries.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 12th day of February, 1997.

IDEX CORPORATION

By /s/ WAYNE P. SAYATOVIC

Wayne P. Sayatovic
Senior Vice President -- Finance,
Chief Financial Officer and
Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE -----	TITLE -----	DATE -----
/s/ DONALD N. BOYCE ----- Donald N. Boyce	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	February 12, 1997
/s/ WAYNE P. SAYATOVIC ----- Wayne P. Sayatovic	Senior Vice President -- Finance, Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)	February 12, 1997
/s/ RICHARD E. HEATH ----- Richard E. Heath	Director	February 12, 1997
/s/ HENRY R. KRAVIS ----- Henry R. Kravis	Director	February 12, 1997
/s/ WILLIAM H. LUERS ----- William H. Luers	Director	February 12, 1997
/s/ PAUL E. RAETHER ----- Paul E. Raether	Director	February 12, 1997
/s/ CLIFTON S. ROBBINS ----- Clifton S. Robbins	Director	February 12, 1997
/s/ GEORGE R. ROBERTS ----- George R. Roberts	Director	February 12, 1997
/s/ NEIL A. SPRINGER ----- Neil A. Springer	Director	February 12, 1997
/s/ MICHAEL T. TOKARZ ----- Michael T. Tokarz	Director	February 12, 1997

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----	PAGE ----
2.1	Asset Purchase Agreement dated July 26, 1996 between IDEX and Fluid Management Limited Partnership, Fluid Management U.S., L.L.C., Fluid Management Service, Inc., Fluid Management Canada, LLC, Fluid Management France, SNC, FM International, Inc., Fluid Management Europe B.V. (incorporated by reference to Exhibit No. 2.1 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
3.1	Restated Certificate of Incorporation of IDEX (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX (formerly HI, Inc.), as amended (incorporated by reference to Exhibit No. 3.1(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235).	
3.2	Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on July 17, 1989).	
3.2(a)	Amended and Restated Article III, Section 13 of the Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2(a) to Post-Effective Amendment No. 3 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on February 12, 1990).	
4.1	Restated Certificate of Incorporation and By-Laws of IDEX (filed as Exhibits No. 3.1 through No. 3.2(a)).	
4.2	Indenture, dated as of September 15, 1992, among IDEX, the Subsidiaries and Fleet National Bank of Connecticut, as Trustee, relating to the 9 3/4% Senior Subordinated Notes of IDEX due 2002 (incorporated by reference to Exhibit No. 4.2 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
4.2(a)	First Supplemental Indenture dated as of December 22, 1995 among IDEX and the Subsidiaries named therein and Fleet National Bank of Connecticut, a national banking association, as trustee (incorporated by reference to Exhibit No. 4.2(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1995, Commission File No. 1-10235).	
4.2(b)	Second Supplemental Indenture dated as of July 29, 1996 among IDEX and the Subsidiaries named therein and Fleet National Bank of Connecticut, a national banking association, as trustee (incorporated by reference to Exhibit No. 4.2(b) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.3	Specimen Senior Subordinated Note of IDEX (including specimen Guarantee) (incorporated by reference to Exhibit No. 4.3 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
4.4	Specimen Certificate of Common Stock (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-2 of IDEX Corporation, et al., Registration No. 33-42208, as filed on September 16, 1991).	
4.5	Third Amended and Restated Credit Agreement dated as of July 17, 1996 among IDEX, Bank of America Illinois, as Agent, and other financial institutions named therein (incorporated by reference to Exhibit No. 4.5 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.6	Amended and Restated Pledge Agreement dated as of July 17, 1996 by IDEX in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.6 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	

Exhibit Number -----	Description -----	Page ----
4.6(a)	Supplement No. 1 to the Amended and Restated Pledge Agreement dated as of August 5, 1996, by IDEX in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.6(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.7	Amended and Restated Subsidiary Guaranty Agreement dated as of July 17, 1996, by the Subsidiaries named therein in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.7 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.7(a)	Supplement No. 1 to the Amended and Restated Subsidiary Guaranty Agreement dated as of August 5, 1996, by FMI Management Company in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.7(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.7(b)	Supplement No. 2 to the Amended and Restated Subsidiary Guaranty Agreement dated as of August 5, 1996, by Fluid Management, Inc. in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.7(b) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.8	Registration Rights Agreement dated as of July 26, 1996, between IDEX and Mitchell H. Saranow (incorporated by reference to Exhibit No. 4.8 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
**10.1	Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.15 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.1(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.5(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
**10.1(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.5(b) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235).	
**10.2	Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.17 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.2(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
**10.2(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.6(b) to Amendment No. 1 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235).	
**10.3	Employment Agreement between IDEX Corporation and Frank J. Hansen dated as of August 1, 1994 (incorporated by reference to Exhibit No. 10.7 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended September 30, 1994, Commission File No. 1-10235).	
**10.3(a)	First Amendment to the Employment Agreement between IDEX Corporation and Frank J. Hansen, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235).	

Exhibit Number -----	Description -----	Page ----
**10.4	Employment Agreement between IDEX Corporation and Jerry N. Derck dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.8 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
**10.5	Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.21 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.5(a)	Amended Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.9(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235).	
**10.6	Form of Indemnification Agreement (incorporated by reference to Exhibit No. 10.23 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on April 26, 1989).	
**10.7	Form of Shareholder Purchase and Sale Agreement (incorporated by reference to Exhibit No. 10.24 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.8	Revised Form of IDEX Corporation Stock Option Plan for Outside Directors (incorporated by reference to Exhibit No. 10.22 to Post-Effective Amendment No. 4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on March 2, 1990).	
**10.9	Amendment to the IDEX Corporation Stock Option Plan for Outside Directors adopted by resolution to the Board of Directors dated as of January 28, 1992 (incorporated by reference to Exhibit No. 10.21(a) of the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-10235).	
**10.10	Non-Qualified Stock Option Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 10.15 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.10(a)	1996 Stock Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 4.5 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
**10.11	Non-Qualified Stock Option Plan for Officers of IDEX Corporation (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.12	IDEX Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.13	1996 Stock Plan for Officers of IDEX (incorporated by reference to Exhibit No. 4.4 to the Registration Statement on Form S-8 of IDEX Registration No. 333-18643, as filed on December 23, 1996).	
**10.14	Amended and Restated IDEX Corporation Directors Deferred Compensation Plan, as amended (incorporated by reference to Exhibit No. 4.6 to the Registration Statement on Form S-8 of IDEX Registration No. 333-18643, as filed on December 23, 1996).	
**10.15	IDEX Corporation 1996 Deferred Compensation Plan for Officers, as amended (incorporated by reference to Exhibit No. 4.8 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
**10.16	IDEX Corporation 1996 Deferred Compensation Plan for Non-Officer Presidents, as amended (incorporated by reference to Exhibit No. 4.7 to the Registration Statement on Form S-8 of IDEX, Registrant No. 333-18643, as filed on December 23, 1996).	
*13	1996 Annual Report to Shareholders of IDEX.	
*21	Subsidiaries of IDEX.	
*24	Consent of Deloitte & Touche LLP.	

Exhibit Number -----	Description -----	Page ----
*27	Financial Data Schedule. Revolving Credit Facility, dated as of September 29, 1995, between Dunja Verwaltungsgesellschaft GmbH and Bank of America NT & SA, Frankfurt Branch (a copy of the agreement will be furnished to the Commission upon request).	

* Filed herewith.

** Management contract or compensatory plan or arrangement.

[GRAPHIC]
New Product Development

[GRAPHIC]
Acquisition Strategy

[GRAPHIC]
International Presence

[GRAPHIC]
Market Leadership

[IDEX 96 LOGO]
IDEX Corporation - Annual Report

[IDEX 96 LOGO]

IDEX Corporation manufactures an extensive array of proprietary, engineered industrial products sold to customers in a variety of industries around the globe. Our businesses have leading positions in their niche markets, and we have a history of achieving high profit margins.

Among factors in the success equation at IDEX are emphasis on the worth of our people, fleetfootedness, ethical business conduct, continuing new product development, superior customer service, top-quality products, market share growth, international expansion, and above-average shareholder returns. The IDEX acronym stands for -- and the essence of IDEX is - Innovation, Diversity, and EXcellence. The shares of IDEX Corporation are traded on the New York Stock Exchange and the Chicago Stock Exchange under the symbol IEX.

TOTAL SHAREHOLDER RETURNS

IDEX	\$100	June 2 89	S&P INDEX	100	June 2 89
	116	1989		111	1989
	79	1990		108	1990
	115	1991		141	1991
	164	1992		151	1992
	246	1993		167	1993
	291	1994		168	1994
	428	1995		232	1995
	427	1996		286	1996

[BAR GRAPH]

Total return to IDEX shareholders since going public in June 1989 has been 327%. In the same period the S&P 500 has increased 186%.

CONTENTS	PAGE
Shareholders' Letter.....	2
Business Groups.....	4
Business Profile.....	6
Market Leadership.....	8
Product and Process Innovation.....	10
Acquisition Strategy.....	12
Historical Data.....	14
Management's Discussion and Analysis.....	16
Financial Statements.....	20
Business Units.....	31
Corporate Officers and Directors.....	32
Shareholder Information.....	33

Financial Highlights

(dollars and share amounts in thousands except per share data)

NET SALES
(in millions)

1988	1989	1990	1991	1992	1993	1994	1995	1996
200	221	228	228	277	309	400	487	563

[BAR GRAPH]

EARNINGS PER SHARE

1988	1989	1990	1991	1992	1993	1994	1995	1996
.34	.58	.65	.63	.71	.87	1.15	1.53	1.69

[BAR GRAPH]

Sales have grown at a 14% compound annual rate and earnings per share have increased at a 22% rate since IDEX was formed in 1988.

Years ended December 31.....	1996	CHANGE	1995	CHANGE	1994
	----	-----	----	-----	----
RESULTS OF OPERATIONS					
Net sales.....	\$562,551	15%	\$ 487,336	22%	\$ 399,502
Income from operations.....	98,305	14	86,238	32	65,538
Interest expense.....	18,942	19	15,948	17	13,581
Net income.....	50,198	11	45,325	35	33,610
FINANCIAL POSITION					
Working capital.....	\$108,313	5%	\$ 103,091	26%	\$ 82,007
Total assets.....	583,773	25	466,122	26	371,096
Long-term debt.....	271,709	32	206,184	23	168,166
Shareholders' equity.....	195,509	30	150,945	30	116,305
PERFORMANCE MEASURES					
Percent of net sales					
Income from operations.....	17.5%		17.7%		16.4%
Net income.....	8.9		9.3		8.4
Return on average assets.....	9.7		10.8		10.7
Debt as a percent of capitalization....	58.2		57.7		59.1
Return on average shareholders' equity..	29.0		33.9		33.6
PER SHARE DATA					
Net income.....	\$ 1.69	10%	\$ 1.53%	34%	\$ 1.15
Cash dividends paid.....	.43	16	.37		-
Shareholders' equity.....	6.76	28	5.26	29	4.06
OTHER DATA					
Employees.....	3,598	11%	3,233	14%	2,841
Shareholders of record.....	1,305	(4)	1,359	(2)	1,388
Weighted average shares outstanding....	29,779	1	29,609	1	29,331

All share and per share data throughout this report have been restated to reflect the three-for-two stock splits effected in the form of 50% stock dividends in January 1995 and 1997.

TO OUR SHAREHOLDERS:

1996 was another excellent year for IDEX. Records were set in sales, net income and earnings per share; we acquired a significant business; several new products were introduced; our international expansion continued; and the company ranked at the high end of peer group comparisons in profitability and growth.

This year's performance continues the unbroken string of improvements in net income (before unusual items) since the company was formed in 1988. These achievements result from the superb contributions of an exceptionally capable team throughout IDEX of whom we're very proud. Recognizing the strength of the company and its prospects, our Board of Directors in December approved another three-for-two stock split and an increase in cash dividends.

NET INCOME RISES 11% ON A SALES INCREASE OF 15%

Net sales were a record \$562.6 million in 1996 and increased by 15% over the \$487.3 million of 1995. Net income reached a new high of \$50.2 million and rose by 11% over the \$45.3 million of last year. Earnings per share on a post-split basis at \$1.69 grew by 16 cents over the previous high of \$1.53 set in 1995. Market conditions enabled us to show an improvement of only 1% in the revenues of our base businesses, with almost all of the growth resulting from including 1995 acquisitions for a full year and our 1996 acquisition for five months.

IDEX's operating profit margins always have been well above average for an industrial company. Our margins at 17.5% of sales were slightly below last year's 17.7%, but that was due entirely to the inclusion of the recently acquired businesses in this year's results. Our high base business margins were actually improved slightly, and we see opportunities to improve margins at recently acquired businesses. Since the company was formed in 1988, earnings per share have grown at a compound annual rate of 22%.

FLUID MANAGEMENT ACQUIRED

On July 29, 1996, IDEX acquired Fluid Management, headquartered in Wheeling, Illinois, with operations in the Netherlands, Germany and Australia, and with worldwide distribution. Fluid Management is the world's leading manufacturer of dispensing and mixing equipment for colorants, inks and dyes. We paid \$135 million for the business, or about 8.3 times earnings before interest, taxes, depreciation, and amortization. Fluid Management has revenues of approximately \$90 million, and about 50% of its sales occur outside of the U.S. Harbil(R), Miller(R), Accutinter(R) and Eurotinter are among the brand names one will see on its products in local paint stores, printing plants, truck manufacturing plants and other locations where paint, ink and other fluids are mixed and dispensed. Fluid Management is an IDEX type of company with excellent potential.

We will continue to apply our rigid criteria and follow our disciplined approach as we seek to add businesses in the future.

INTERNAL DEVELOPMENT

We recognize that we must continuously improve operations and introduce new products to sustain the growth IDEX has exhibited to date. Our future success hinges on superior customer service and top-quality, state-of-the-art products manufactured at competitive prices.

Again in 1996 about one-fourth of our sales resulted from products totally redesigned or introduced within the past four years. Among the new products introduced in 1996 were electronically controlled pumps at Warren Rupp, new truck-mounted LP gas pumps at Corken, the

Year	International Sales		Operating Margins		Net Income Margins	
	Percent of Total Sales	In Dollars Millions	Idex	Value line Industrial Composite Index	Idex	Value line Industrial Composite Index
1987	19%	35	18%	10%	5%	6%
1988	22%	48	19%	10%	7%	5%
1989	24%	52	17%	9%	7%	4%
1990	26%	59	16%	8%	7%	4%
1991	28%	63	15%	8%	7%	4%
1992	28%	79	16%	9%	8%	5%
1993	27%	84	16%	10%	8%	5%
1994	32%	127	18%	11%	9%	6%
1995	35%	169	18%	11%	9%	6%
1996	41%	231				

International growth has been a key factor in IDEX's success.

Since formation of the company, IDEX has continuously achieved significantly higher operating margins than most manufacturers.

IDEX has outperformed most manufacturers in net income margins.

FoamMaster(R) pump system for fire fighting at Hale, a new peristaltic metering pump at Pulsafeeder, and a patented Ultra-Lok(R) clamping system at Band It.

Quality has always been a cornerstone of business practice in IDEX, but the internationally recognized ISO 9000 standards have become the ideal in recent years. Every one of our business units--at all manufacturing locations around the globe--has achieved ISO certification.

In our continuing efforts to improve efficiency and enhance customer service, we made major advances in business systems at Viking, Pulsafeeder, Signfix and Corken. We consolidated Pulsafeeder's Oklahoma facility with its operations in Florida, and we installed more productive manufacturing equipment in many locations. A normal measure of productivity is sales per employee, which has risen every year since IDEX began operations, and reached a new high of \$167,000 in 1996. Our focus on cash flow enabled us to cut debt by \$68 million in 1996 before borrowing \$133 million to complete the Fluid Management acquisition.

The tremendous potential in international markets has been a focus for several years. In 1996, 41% of total revenues were to customers outside of the U.S. and 62% of these revenues were produced in IDEX facilities outside the U.S. International sales growth has outpaced domestic growth for many years, and we expect this will continue as we emphasize international development in 1997 and the years beyond.

STOCK SPLIT AND DIVIDEND INCREASE DEMONSTRATE CONFIDENCE

Given IDEX's solid performance and its positive outlook, in December 1996 our Board of Directors declared a three-for-two stock split and a 12.5% increase in cash dividends. The stock split was effected in the form of a 50% stock dividend, and the cash dividend on the post-split shares is 12 cents per share per calendar quarter, which is equivalent to 18 cents on the pre-split shares, and is up by 2 cents from the previous dividend level. Both the stock split and the first increased cash dividend are being paid on January 31, 1997, to shareholders of record on January 15, 1997.

POSITIONED FOR FUTURE GROWTH

IDEX has many strengths that position it especially well for the future:

- - We serve diverse markets.
- - We sell to thousands of customers.
- - We have significant market shares, with each of our businesses either number one or a close second in market share in its niche.
- - We emphasize new product and process development.
- - We have healthy margins and strong cash flow.
- - Our international sales are significant and growing.
- - We will continue to explore acquisition opportunities following our disciplined approach.

These characteristics give us a solid base for future development. We are proud of all of the people of the company who have helped make IDEX successful and continue to carry out their responsibilities in an extraordinary manner. We believe 1997 will be another excellent year for IDEX, and that the years beyond also hold a great deal of promise. We hope that you, our shareholders, share in our positive view of tomorrow for IDEX.

[Signature of Donald N. Boyce]
Donald N. Boyce
Chairman of the Board and President
January 21, 1997

[PHOTO OF DONALD N. BOYCE]

FLUID HANDLING GROUP

[PHOTO]

IDEX's Fluid Handling Group is comprised of eight business units that design, produce, and distribute a broad range of engineered industrial pumps and related controls, fire-fighting pumps and rescue tools, mixing and dispensing equipment, lubrication systems and low-horsepower compressors.

In 1996 the Fluid Handling Group accounted for 75% of sales and 78% of profits. Sales to customers outside of the U.S. represented 41% of the Group's shipments.

SALES
[PIE CHART]

Fluid Handling	75%
Industrial Products	25%

CORKEN

FLUID MANAGEMENT

HALE PRODUCTS

LUBRIQUIP

MICROPUMP

PULSAFEEDER

VIKING PUMP

WARREN RUPP

[PHOTO]

The Industrial Products Group includes four business units that design, produce and distribute proprietary products for a wide range of industrial applications. These products include metal fabrication equipment and tooling, high-quality stainless steel banding and clamping devices and related installation tools, sign mounting systems and vibration control mechanisms.

The Industrial Products Group generated 25% of sales and 22% of profits in 1996, and sales to customers outside the U.S. represented 41% of its shipments.

PROFITS

[PIE CHART]

Fluid Handling	78%
Industrial Products	22%

BAND-IT

SIGNFIX

STRIPPIT

VIBRATECH

	[CORKEN PHOTO]	[FLUID MANAGEMENT PHOTO]	[HALE PRODUCTS PHOTO]	[LUBRIQUIP PHOTO]
	CORKEN	FLUID MANAGEMENT	HALE PRODUCTS	LUBRIQUIP
PRODUCT OFFERING	Small-horsepower compressors, vane and turbine pumps, and valves.	Precision-engineered equipment for dispensing, metering and mixing paints, coatings, colorants, inks, dyes and other liquids and pastes.	Truck-mounted and portable fire pumps, and the Hurst Jaws of Life(R) and Lukas rescue tool systems.	Centralized oil and grease lubrication systems, force-feed lubricators, metering devices, related electronic control and accessories.
MARKETS SERVED	Liquefied petroleum gas (LPG), oil and gas, petrochemical, environmental, health care and general industrial.	Retail and commercial paint outlets; printers; paint, coating, ink and other manufacturers.	Public and private fire and rescue applications.	Machine tools, transfer machines, conveyors, packaging machinery, transportation equipment and construction machinery.
PRODUCT APPLICATIONS	Products used for transfer of LPG, alternative fuels and other gases and liquids.	Fluid management systems for a wide variety of liquids and pastes in a broad range of industries, from retail point-of-sale equipment to complete manufacturing systems.	Pumps for water or foam to extinguish fires, and rescue equipment for extricating accident victims.	Lubrication devices to prolong equipment life and reduce maintenance costs.
COMPETITIVE STRENGTHS	Market leader for pumps and small-horsepower compressors used in LPGas distribution facilities with estimated 50% market share.	Industry innovator and worldwide market leader in automatic and manually operated dispensing, metering and mixing equipment. Estimated 50% worldwide market share.	World's leading manufacturer of truck-mounted fire pumps and rescue systems with estimated worldwide market share in excess of 50%.	Market leader in centralized lubrication systems serving a broad range of industries. Estimated one-third market share.
INTERNATIONAL SCOPE	40% of sales outside the U.S.	55% of sales outside the U.S. Also manufactures in the Netherlands, Germany and Australia.	50% of sales outside the U.S. Also manufactures in England and Germany.	20% of sales outside the U.S.
EXAMPLES OF RECENTLY INTRODUCED PRODUCTS	New truck-mounted LPGas pumps, and a new line of water cooled and flanged gas compressors for the process industries.	New high-speed automatic dispensers featuring advanced graphic software, integrated label printer and color matching system. Completely redesigned line of manual and automatic dispensers and mixers for European market.	New electronically controlled FoamMaster(R) pump system for fire-fighting applications.	New Trabon(R) modular divider valve with zero-leak inlet and integral filter, status indicators and electronic sensors.
MANUFACTURING LOCATIONS	Oklahoma City, Oklahoma	Wheeling, Illinois Sassenheim, Netherlands Norderstedt, Germany Unanderra, Australia	Conshohocken, Pennsylvania Shelby, North Carolina St. Joseph, Tennessee Warwick, England Erlangen, Germany	Warrensville Heights, Ohio McKees Rocks, Pennsylvania Madison, Wisconsin

	[MICROPUMP PHOTO]	[PULSAFEEDER PHOTO]	[VIKING PUMP PHOTO]	[WARREN RUPP PHOTO]	[BAND-IT PHOTO]
	MICROPUMP	PULSAFEEDER	VIKING PUMP	WARREN RUPP	BAND-IT
PRODUCT OFFERING	Small, precision-engineered, magnetically and electromagnetically driven centrifugal and rotary gear pumps.	Metering pumps, special purpose rotary pumps and related electronic controls.	Positive displacement rotary gear, lobe and metering pumps and related electronic controls.	Double-diaphragm pumps, both air-operated and motor-driven, and accessories.	Stainless steel bands, buckles, preformed clamps and installation tools.
MARKETS SERVED	Chemical processing, laboratory, medical, printing, electronics, pulp and paper, water treatment and textiles.	Water and waste-water treatment, chemical and hydrocarbon processing, food processing, and warewash institutional.	Chemical processing, petroleum, food processing, pulp and paper, construction and power generation.	Chemical, paint, food processing, electronics, construction, industrial maintenance, utilities and mining.	Transportation equipment, utilities, mining, oil and gas, industrial maintenance, construction, electronics and communications.
PRODUCT APPLICATIONS	Pumps and fluid management systems for low-flow abrasive and corrosive applications such as inks, dyes, solvents, chemicals, petrochemicals, acids, and chlorides.	Pumps and controls for introducing precise amounts of fluids into processes to manage chemical composition.	Pumps for materials ranging from anhydrous ammonia to peanut butter, from thin to highly viscous liquids.	Pumps for abrasive and semisolid materials as well as for applications where product degradation is a concern.	Clamps for securing hoses, signs, signals, pipes, poles, electrical lines and numerous other "hold-together" applications.
COMPETITIVE STRENGTHS	Market leader in corrosion-resistant, magnetically driven, miniature pump technology with estimated 40% market share.	A leading manufacturer of metering pumps and controls used in water treatment and process applications. Estimated 40% market share.	Largest internal gear pump producer. Broad product offering and extensive application technology. Estimated 35% share of rotary gear pump market.	A leading diaphragm pump producer offering products in several materials including composites, stainless steel and cast iron. Estimated one-third market share.	World's leading producer of high-quality stainless steel bands, buckles and clamps with estimated 50% market share.
INTERNATIONAL SCOPE	50% of sales outside the U.S. Also manufactures in England.	25% of sales outside the U.S.	35% of sales outside the U.S. Also manufactures in Canada, England and Ireland.	45% of sales outside the U.S. Also manufactures in Ireland.	50% of sales outside the U.S. Also manufactures in England and Singapore.
EXAMPLES OF RECENTLY INTRODUCED PRODUCTS	New patented dual circuit pump for industrial ink jet printing and new canned rotor pump for x-ray cooling equipment.	New line of peristaltic pumps and state-of-the-art microprocessor-based, digital logic controllers providing continuous and automatic flow control.	Internal gear pumps with integral jacketing for controlling liquid temperature. Enhanced method of sealing pump shafts for highly viscous applications.	New interfaceable electronic controls to program double-diaphragm pump operations. New non-conductive, groundable air-operated double-diaphragm pumps.	New series of patented installation tools for 1/4" Tie-Lok(R) and Ultra-Lok(R) ties. New 1/4" Ultra-Lok(R) band and buckle clamping system.
MANUFACTURING LOCATIONS	Vancouver, Washington St. Neots, England	Rochester, New York Punta Gorda, Florida	Cedar Falls, Iowa Windsor, Ontario, Canada Eastbourne, England Shannon, Ireland	Mansfield, Ohio Shannon, Ireland	Denver, Colorado Staveley, England Singapore

[SIGNFIX
PHOTO][STRIPPIT
PHOTO][VIBRATECH
PHOTO]

SIGNFIX

STRIPPIT

VIBRATECH

PRODUCT OFFERING	Sign-mounting systems and stainless steel banding and clamping products.	Computer-controlled turret punching machines, semi-automatic fabricators, punches, dies and related tooling items.	Engineered motion-damping products including viscous torsional vibration dampers, ride control and mechanical energy absorption devices.
MARKETS SERVED	Municipal and commercial signs, and industrial maintenance applications.	Office, food service, agricultural and hospital equipment, electronic chassis and other metal fabrication industries.	Heavy duty trucks, machinery, motorsport, off-highway and rail vehicles.
PRODUCT APPLICATIONS	Road, traffic and commercial signs, bands and clamps for various applications.	Equipment and tooling for punching, bending, shearing and laser cutting sheet metal.	Products to control motion, vibration and shock.
COMPETITIVE STRENGTHS	Leader in U.K. for sign-mounting products and systems with estimated 45% market share.	Industry innovator and holder of numerous patents. A leading producer of computer-controlled turret punching machines and related tooling with estimated one-quarter market share.	Inventor and largest non-captive U.S. producer of torsional vibration dampers. Estimated 40% share of viscous damper market.
INTERNATIONAL SCOPE	20% of sales outside the U.K.	35% of sales outside the U.S.	10% of sales outside the U.S.
EXAMPLES OF RECENTLY INTRODUCED PRODUCTS	Patented "dovetail" sign-mounting system and newly designed cantilever street sign systems for the U.S. market.	Enhanced Helios(R) laser cutting system with versatile high-performance non-contact cutting head and an expanded line of hydraulically actuated fabricating machines.	New railfrog retarders and Iron Highway rotary suspension dampers.
MANUFACTURING LOCATIONS	Bristol, England Tipton, England	Akron, New York	Alden, New York

[IDEX 96 LOGO]

FLUID HANDLING GROUP

- Corken
- Fluid Management
- Hale Products
- Lubriquip
- Micropump
- Pulsafeeder
- Viking Pump
- Warren Rupp

INDUSTRIAL PRODUCTS GROUP

- Band-It
- Signfix
- Strippit
- Vibratech

LEADERSHIP

IDEX enjoys strong leadership positions in all the markets it serves. Each of our 12 business units holds either the number one market position or has a sizable share as the number two producer in its niche. On a weighted average basis, we enjoy an approximate 40% share of the markets we serve.

IDEX achieves these healthy positions by being customer-driven, responding quickly to users' needs with first-quality products of the latest design. We are a fleetfooted organization--nimble and deft--with strong controls, a sense of immediacy, and a will to eliminate unnecessary red tape that slows responsiveness.

MARKETS SERVED
[PIE CHART]

LEAD-ER-SHIP
[proper pronuciation]
1. ability to lead
2. to be ahead or
at the head of

- Food Processing
- Construction & Material Handling
- Oil & Refining
- Transportation Equipment
- Water Conditioning
- Fabricated Metal Products
- Chemical Processing
- Fire & Rescue
- Paints & Coatings
- All Other

[HELIOS PHOTO]

A market focus pervades our organization. We want to offer the best overall proposition in the market. This does not mean the lowest price--but the best value for customers considering such factors as service, durability, performance, selection, ease of use, features, productivity, safety, maintenance and long-term costs. As leaders, we have a rigorous program of market, product and process development, leaving no doubt with our customers that we do offer the best value.

Most of our products are sold through well established industrial distribution networks with technological competence. Where unit volume requirements are higher, we also sell directly to original equipment manufacturers. Our distributors receive extensive training and support, and are our partners in assisting thousands of end-users worldwide with product selection and installation.

Our market development efforts have taken us into more than 100 countries around the globe. International sales have grown from 19% of total sales nine years ago to 41% today, and we expect the pace of international expansion to continue. We share application ideas with agents, distributors and customers, thereby widening the base of industries and customers served. No single industry and no single customer accounts for a major part of our sales.

IDEX's success hinges on the talent and performance of its people. We have an outstanding team of dedicated employees who follow a strict code of ethics. We want to be a company that people are proud to buy from, sell to, work for, and invest in. By following ethical practices; striving for operational superiority; providing superior quality, state of the art products; selling our wide product range to a broad spectrum of customers and industries; and continuously working with end-users and customers to develop new products, we believe IDEX exemplifies its acronym--Innovation, Diversity, and EXcellence.

MARKET SHARE LEADERSHIP
[PIE CHART]

Estimated 40% weighted average share of markets served.

INTERNATIONAL SALES
[PIE CHART]

Domestic	59%
International	41%
Europe	22%
Far East	9%
Rest of World	10%

[PHOTO]

Product and

INNOVATION

Innovation is the word represented by the first letter of the IDEX name, and it is a key ingredient in our success equation. We support and foster processes that lead to product improvements and new products for our customers. For a number of years about 25% of our sales have come from products that have been totally redesigned or introduced within the past four years.

One in 10 of the people at IDEX is directly engaged in product or process technology development. However, it is every employee's job to contribute to new product development, and so all business disciplines participate in the effort. Multidisciplinary teams work with customers, specifying engineers, users, distributors and focus groups to assure that our products are state of the art, incorporating the latest proven technology, and providing overall value to the customer.

in-no-va-tion
(in e-va shen)

1. something new or different introduced
2. act of innovating; introduction of new things or methods

[PHOTO]

While most of our products are mechanical in nature, they often include electronic control devices, so our engineering processes include the spectrum of technical specialties from mechanical, materials, hydraulics and pneumatics to electrical, electronic and software development.

Among the many new products introduced by IDEX business units in 1996 were:

- A new line of peristaltic metering pumps at Pulsafeeder,

[PHOTO]

- The Hale FoamMaster(R), an electronically controlled pump system for handling the full range of foam concentrates in fire fighting applications,
- New electronically operated, controlled volume pumps at Warren Rupp,
- New pumps for LP gas trucks at Corken,
- Hydraulically actuated, computer-controlled fabricating equipment at Strippit, and
- A broadened range of stainless steel clamping devices at Band-It.

Delivering top quality products has always been a cornerstone of business practice at IDEX. However, in recent years, the internationally recognized ISO 9000 quality system has become the benchmark for quality. We are pleased to say that all of our business units are certified under the ISO 9000 standards, reinforcing our long-standing manufacturing integrity, and placing us at the forefront with customers who rightfully demand first class products.

[PHOTO]

We have a persistent urge to create new products within IDEX to leapfrog our own technology--and to stay well ahead of competition. Our fleetfooted approach helps us bring new products with proven reliability to the market at a rapid pace. IDEX's customers deserve the best and the latest of new product technology.

NEW PRODUCT SALES
[PIE CHART]

25%

[PHOTO]

Acquisition
STRATEGY

IDEX focuses on companies that manufacture proprietary industrial products with leading positions in niche markets. Our carefully crafted and rigidly applied acquisition criteria are designed to promote growth in shareholder value rather than growth for growth's sake. We seek to acquire good companies and make them better, rather than trying to make sick companies well.

Since 1989, we have completed 10 strategic acquisitions, each fitting the IDEX mold and now contributing strongly to our bottom line. In 1996 we completed our largest acquisition to date--Fluid Management. This company is the world's leading manufacturer of dispensing and mixing equipment for paints, colorants, inks and dyes. Headquartered in Wheeling, Illinois, Fluid Management also has manufacturing facilities in the Netherlands, Germany and Australia, and a distributor network that spans the globe.

1996 SALES
[PIE CHART]

[PHOTO]

IDEX's three most recent acquisitions--Micropump, Lukas & Fluid Management--accounted for 16% of 1996 sales.

strat-e-gy

(strat e-je)

1. a plan for obtaining
a specific goal
2. skill in managing
or planning

[PHOTO-5 RODS]

[PHOTO-16 PIPES]

Its products, sold under such names as Miller(R), Harbil(R), Accutinter(R) and Eurotinter, can be found in local paint and building supply stores, printing plants, vehicle manufacturing facilities, and other locations where fluids are dispensed and mixed in precise volumes.

Following the acquisition of a company, we immediately implement IDEX's financial control systems and begin the process of sharing the best practices of our business units, because there is commonality in the engineering principles, manufacturing methods, distribution channels and business systems in all of our companies. We have the advantage of implementing what works successfully in some locations and avoiding the problems of what doesn't work. This cross pollination has resulted in superior customer service and improved margins in our acquired businesses.

Acquisitions have been an important element of IDEX's success, with a track record that speaks for itself. We will continue to use our very strong cash flow to enhance shareholder value by adding businesses from time to time that meet our strict standards.

REPAIR & REPLACEMENT SALES
[PIE CHART]

33%

[PHOTO-LUKAS LKE 70 CUTTER]

[PHOTO-MAN WITH BUCKET]

HISTORICAL DATA

(dollars and share amounts in thousands
except per share data)

NET SALES (in millions)		OPERATING MARGINS			NET INCOME MARGINS		
		[LINE GRAPH] Value line Industrial Composite Index			[LINE GRAPH] Value line Industrial Composite Index		
Year	Index	Year	Index	Year	Index	Year	Index
1988	200	1988	18%	10%	1988	5%	6%
1989	221	1989	19%	10%	1989	7%	5%
1990	228	1990	17%	9%	1990	7%	4%
1991	228	1991	16%	8%	1991	7%	4%
1992	277	1992	15%	8%	1992	7%	4%
1993	309	1993	16%	9%	1993	8%	5%
1994	400	1994	16%	10%	1994	8%	5%
1995	487	1995	18%	11%	1995	9%	6%
1996	563	1996	18%	11%	1996	9%	6%

Sales have grown at a 14% compound annual rate.

IDEX's operating margins have consistently been almost double those of the average industrial company.

Aftertax margins at IDEX compare very favorably to those of the average industrial company.

EARNINGS PER SHARE

EBITDA AND INTEREST
(in millions)TOTAL ASSETS AND
LONG-TERM DEBT
(in millions)

[BAR GRAPH]		[LINE GRAPH]		[LINE GRAPH]	
Year	EBITDA	Interest EXP	Year	Assets	Long Term Debt
1988	.34	43	19	128	143
1989	.58	48	18	134	125
1990	.65	47	16	134	104
1991	.63	45	13	143	66
1992	.71	53	12	253	140
1993	.87	61	11	259	117
1994	1.15	80	14	371	168
1995	1.53	103	16	466	206
1996	1.69	120	19	584	272

Earnings per share have grown at a 22% compound annual rate.

IDEX's solid cash flow coverage of interest expense has improved significantly.

IDEX's balance sheet has strengthened considerably since its first year of operation in 1988.

	1996	1995	1994	1993	1992	1991	1990	1989	1988
	----	----	----	----	----	----	----	----	----
RESULTS OF OPERATIONS									
Net sales.....	\$562,551	\$487,336	\$399,502	\$308,638	\$277,129	\$228,181	\$228,397	\$220,971	\$200,351
Gross profit.....	216,154	188,021	152,644	118,352	105,977	85,089	84,853	84,613	74,151
SG&A expenses	111,507	97,486	83,980	68,217	63,123	47,014	44,521	42,648	37,135
Goodwill amortization	6,342	4,297	3,126	1,989	1,523	626	588	588	554
Income from operations	98,305	86,238	65,538	48,146	41,331	37,449	39,744	41,377	36,462
Other income expense.....	(509)	753	559	1,159	1,831	1,024	1,626	1,553	698
Interest expense	18,942	15,948	13,581	11,007	12,178	12,730	15,566	17,828	18,552
Provision for income taxes....	28,656	25,718	18,906	12,972	10,838	9,826	10,101	9,994	7,954
Income before extraordinary items	50,198	45,325	33,610	25,326	20,146	15,917	15,703	15,108	10,654
Extraordinary items	-	-	-	-	(3,441)	1,214	2,145	2,972	4,583
Net income	50,198	45,325	33,610	25,326	16,705	17,131	17,848	18,080	15,237
Income applicable to common stock	50,198	45,325	33,610	25,326	16,705	17,131	17,848	14,857	10,012
FINANCIAL POSITION									
Current assets.....	\$201,170	\$185,899	\$151,357	\$115,466	\$116,723	\$ 74,464	\$ 75,697	\$ 75,202	\$ 68,983
Current liabilities.....	92,857	82,808	69,350	42,640	40,041	31,733	30,742	28,888	27,912
Working capital	108,313	103,091	82,007	72,826	76,682	42,731	44,955	46,314	41,071
Current ratio	2.2	2.2	2.2	2.7	2.9	2.3	2.5	2.6	2.5
Capital expenditures.....	13,769	13,002	8,896	7,822	8,231	3,578	6,813	5,389	2,533
Depreciation and amortization	23,208	17,122	14,315	11,898	10,576	7,638	6,579	6,206	6,938
Total assets	583,773	466,122	371,096	258,967	253,300	143,142	134,356	133,687	128,124
Long-term debt	271,709	206,184	168,166	117,464	139,827	65,788	103,863	124,942	143,308
Total liabilities	388,264	315,177	254,791	175,281	194,569	106,030	138,643	156,969	172,607
Shareholders' equity	195,509	150,945	116,305	83,686	58,731	37,112	(4,287)	(23,282)	(84,681)
PERFORMANCE MEASURES									
Percent of net sales									
Gross profit	38.4%	38.6%	38.2%	38.3%	38.2%	37.3%	37.2%	38.3%	37.0%
SG&A expenses	19.8	20.0	21.0	22.1	22.8	20.6	19.5	19.3	18.5
Goodwill amortization	1.1	.9	.8	.6	.5	.3	.3	.3	.3
EBITDA.....	21.4	21.2	20.0	19.6	19.1	19.8	20.6	21.8	21.5
Income from operations	17.5	17.7	16.4	15.6	14.9	16.4	17.4	18.7	18.2
Income before extraordinary items	8.9	9.3	8.4	8.2	7.3	7.0	6.9	6.8	5.3
Return on average assets	9.7	10.8	10.7	9.9	8.4	12.3	13.3	11.3	7.7
Debt as a percent of capitalization	58.2	57.7	59.1	58.4	70.4	63.9	104.3	122.9	244.4
Return on average shareholders' equity	29.0	33.9	33.6	35.6	34.9	104.4	-	-	-
PER SHARE DATA									
Income before extraordinary items	\$ 1.69	\$ 1.53	\$ 1.15	\$.87	\$.71	\$.63	\$.65	\$.58	\$.34
Net income	1.69	1.53	1.15	.87	.59	.68	.73	.72	.64
Cash dividends declared.....	.44	.39	.09	-	-	-	-	-	-
Cash dividends paid.....	.43	.37	-	-	-	-	-	-	-
Shareholders' equity	6.76	5.26	4.06	2.93	2.07	1.32	(.18)	(.96)	(5.38)
Stock price									
High	27 5/8	29 1/2	19 1/2	16	10 5/8	8 7/8	7 3/4	7 1/2	-
Low	19 7/8	18 3/8	15 1/8	9 3/4	7 3/8	4 1/4	4 5/8	6 1/8	-
Close	26 5/8	27 1/8	18 3/4	15 7/8	10 5/8	7 3/8	4 3/4	7 1/2	-
Price/earnings ratio at year end	16	18	16	18	15	12	7	13	-
OTHER DATA									
Employees	3,598	3,233	2,841	2,354	2,377	1,919	1,925	1,962	1,819
Shareholders of record	1,305	1,359	1,388	1,454	1,551	1,602	1,714	1,820	-
Weighted average shares outstanding	29,779	29,609	29,331	28,976	28,389	25,367	24,309	20,537	15,740
Shares outstanding at year end	28,926	28,695	28,619	28,580	28,353	28,184	24,303	24,317	15,740

All share and per share data has been restated to reflect the three-for-two stock splits effected in the form of a 50% stock dividends in January 1995 and 1997.

HISTORICAL OVERVIEW AND OUTLOOK

IDEX sells a broad range of proprietary fluid handling and industrial products to a diverse customer base in the U.S. and, to an increasing extent, internationally. Accordingly, IDEX's businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where its products are sold and by the relationship of the U.S. dollar to other currencies. Among the factors that influence the demand for IDEX's products are interest rates, levels of capital spending in certain industries, and overall industrial growth.

IDEX has a history of strong operating margins. The Company's operating margins are impacted by, among other things, utilization of facilities as sales volumes change and inclusion of newly acquired businesses which may have lower margins and whose margins could be further reduced by purchase accounting adjustments.

IDEX's 1996 orders, sales, net income and earnings per share surpassed the records set in the prior year. Backlogs decreased nominally as shipments exceeded incoming orders during 1996 but remain at IDEX's typical operating level of about 1-1/2 months' sales. This customarily low level of backlog allows IDEX to provide excellent customer service but also means that changes in orders are felt quickly in operating results.

The following forward-looking statements are qualified by the cautionary statement under the Private Securities Litigation Reform Act set forth below. The slow rate of growth in the U.S. economy in 1995 continued during 1996, and growth in many other economies of the world improved only modestly. With a steady incoming order pace, strong market positions, a continuous flow of new and redesigned products, and increasing opportunities for expansion worldwide, the outlook for IDEX remains positive. Based on current activity levels and barring unforeseen circumstances, IDEX continues to expect that new records will be achieved in orders, sales, net income and earnings per share in 1997. By stressing new product development, market share growth, international expansion, operating improvements in newly acquired businesses, and by adhering to its disciplined approach to acquisitions, IDEX is well positioned to continue its growth progression profitably.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

Demand for the Company's products is cyclical in nature and subject to changes in general market conditions that affect demand. The Company's customers operate primarily in industries that are rapidly impacted by changes in economic conditions, which in turn can influence orders. The Company operates without significant order backlogs. As a result, economic slowdowns could quickly have an adverse effect on the Company's performance. In addition, the Company's operating forecasts and budgets are based upon detailed assumptions which it believes are reasonable, but inherent difficulties in predicting the impact of certain factors may cause actual results to differ materially from the forward-looking statements set forth earlier. These factors include but are not limited to the following: the Company's utilization of its capacity and the impact of capacity utilization on costs; developments with respect to contingencies such as environmental matters and litigation; labor market conditions and raw materials costs; levels of industrial activity and economic conditions in the U.S. and other countries around the world; and levels of capital spending in certain industries, all of which have a material influence on order rates; the relationship of the U.S. dollar to other currencies; interest rates; the Company's ability to integrate and operate acquired businesses on a profitable basis; and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

RESULTS OF OPERATIONS

For purposes of this discussion and analysis section, reference is made to the table on page 17 and the Company's Statements of Consolidated Operations on page 21. IDEX consists of two business segments: Fluid Handling and Industrial Products.

PERFORMANCE IN 1996 COMPARED TO 1995

Orders, sales, net income and earnings per share were at record levels for 1996. Incoming orders were 16% higher than 1995, with almost all of the increase resulting from the acquisitions of Micropump (May 1995), Lukas (October 1995) and Fluid Management (July 1996). The orders for the base businesses were essentially unchanged in 1996 from 1995.

Sales for 1996 reached a record \$562.6 million and increased \$75.3 million or 15% over 1995. The inclusion of recently acquired businesses accounted for substantially all of the volume growth, while sales in the core business units rose by less than 1% from the prior year. Generally, the Company's pump operations experienced modest growth which was offset by declines in capital goods-related shipments. International sales accounted for 41% of the 1996 total, up from 35%. The increase in international sales accounted for approximately 80% of the year-over-year improvement in total sales.

Fluid Handling Group sales of \$422.5 million increased \$74.8 million or 22% from 1995. Inclusion of Fluid Management for a portion of the year, along with Micropump and Lukas for a full year, accounted for almost all of the sales improvement. Base business sales were up about 1% from the prior year. Sales outside the U.S. increased to 41% of total Fluid Handling Group sales in 1996 from 33% in 1995 due to the inclusion of recent acquisitions, each of which has a significant international presence, and stronger worldwide demand for products of the Group's core businesses, especially industrial pumps.

Industrial Products Group sales of \$141.5 million in 1996 increased by \$1.6 million or 1% compared to 1995 as a result of steady demand for this Group's products. Shipments outside the U.S. were 41% of total sales in the Industrial Products Group in 1996, up from 38% in 1995, principally from greater international

COMPANY AND BUSINESS GROUP FINANCIAL INFORMATION
(DOLLARS IN THOUSANDS)

	YEARS ENDED DECEMBER 31, (1)		
	1996	1995	1994
FLUID HANDLING GROUP			
Net sales(2)	\$422,528	\$347,739	\$275,598
Income from operations(3)	83,474	71,298	55,314
Operating margin	19.8%	20.5%	20.1%
Identifiable assets	\$488,273	\$365,332	\$284,571
Depreciation and amortization	19,055	13,539	10,695
Capital expenditures	9,956	6,972	5,772
INDUSTRIAL PRODUCTS GROUP			
Net sales(2)	\$141,542	\$139,945	\$124,152
Income from operations(3)	23,311	23,165	18,034
Operating margin	16.5%	16.6%	14.5%
Identifiable assets	\$ 78,555	\$ 86,911	\$ 73,693
Depreciation and amortization	3,308	2,840	2,930
Capital expenditures	3,779	6,014	2,848
COMPANY			
Net sales	\$562,551	\$487,336	\$399,502
Income from operations	98,305	86,238	65,538
Operating margin	17.5%	17.7%	16.4%
Income before interest and income taxes	\$ 97,796	\$ 86,991	\$ 66,097
Identifiable assets	583,773	466,122	371,096
Depreciation and amortization (4)	22,568	16,498	13,696
Capital expenditures	13,769	13,002	8,896

(1) Includes acquisitions of Hale Products (May 26, 1994), Micropump (May 2, 1995), Lukas (October 2, 1995) and Fluid Management (July 29, 1996) in the Fluid Handling Group.

(2) Group net sales include intersegment sales.

(3) Group income from operations excludes net unallocated corporate operating expenses.

(4) Excludes amortization of debt issuance expenses.

demand for banding and clamping devices, and sign-mounting systems.

Gross profit of \$216.2 million in 1996 increased \$28.1 million or 15% from 1995. Gross profit as a percent of sales was 38.4% in 1996, down slightly from 38.6% in 1995. Selling, general and administrative expenses increased to \$111.5 million in 1996 from \$97.5 million in 1995 primarily from inclusion of recent acquisitions, but as a percentage of sales, decreased slightly to 19.8% in 1996 from 20.0% in 1995. Goodwill amortization increased 47% to \$6.3 million in 1996 from \$4.3 million in 1995, with about half of the increase attributable to the Fluid Management acquisition. As a percent of sales, goodwill amortization remained flat at about 1% for both years.

Income from operations increased \$12.1 million or 14% to \$98.3 million in 1996 from \$86.2 million in 1995. Operating margin as a percent of sales decreased nominally to 17.5% in 1996 from 17.7% in 1995. In the Fluid Handling Group, income from operations of \$83.5 million and operating margin of 19.8% for 1996 compare to the \$71.3 million and 20.5% recorded in 1995. The operating margin decline resulted from the inclusion of recent acquisitions whose operating margins were generally lower than the other business units in the Group and whose profits were further reduced by purchase accounting adjustments. Income from operations in the Industrial Products Group of \$23.3 million and operating margin of 16.5% in 1996 were essentially equivalent to the totals of \$23.2 million and 16.6% achieved in 1995.

Interest expense increased to \$18.9 million in 1996 from \$15.9 million in 1995 because of the additional borrowing required to complete the Fluid Management acquisition, offset by a slightly lower interest rate environment in 1996.

The provision for income taxes increased to \$28.7 million in 1996 from \$25.7 million in 1995. The effective tax rate of 36.3% in 1996 was essentially unchanged from the 36.2% recorded in the prior year.

Net income of \$50.2 million in 1996 was 11% higher than the net income of \$45.3 million in 1995. Earnings per share, adjusted for the three-for-two stock split described below, were \$1.69 in 1996, an increase of 16 cents from the previous record of \$1.53 achieved in 1995.

In December 1996 the Company's Board of Directors authorized a three-for-two stock split to be effected in the form of a 50% stock dividend payable on January 31, 1997, to shareholders of record on January 15, 1997. The par value of common stock remained at \$.01. Shareholders' equity has been restated to give retroactive recognition to the stock split for all periods presented by reclassifying from additional paid-in-capital to common stock the par value of the additional shares arising from the split. All references in the financial statements to number of shares, per share amounts and market prices of the Company's common stock have been restated.

PERFORMANCE IN 1995 COMPARED TO 1994

Orders, sales, net income and earnings per share for 1995 exceeded the levels achieved in all previous years. Incoming orders were 18% higher than 1994 with about one-quarter of the increase stemming from growth in the Company's base businesses and the other three-quarters resulting from the recent acquisitions of Hale Products (May 1994), Micropump (May 1995) and Lukas (October 1995).

Sales for 1995 of \$487.3 million increased \$87.8 million or 22% over 1994. The inclusion of recently acquired businesses accounted for 12% of the volume growth, while sales in the other business units rose 10% over the prior year. This growth stemmed from a solid U.S. economy, continuous emphasis on developing international markets, and the addition of several new products. The increase of international sales accounted for about one half of the year-over-year improvement.

Fluid Handling Group sales of \$347.7 million increased \$72.1 million or 26% from 1994. The inclusion of Micropump and Lukas for a portion of the year along with Hale Products for a full year, and higher sales volume from improved market conditions in each of the other Fluid Handling Group businesses accounted for the increase. Sales outside the U.S. increased to 33% of total Fluid Handling Group sales in 1995 from 30% in 1994 due to the inclusion of Micropump, Lukas and the international operations of Hale Products for a full year, and stronger worldwide demand for products of the base businesses in the Group.

Industrial Products Group sales of \$140.0 million increased \$15.8 million or 13% compared to 1994 due to improved demand for products of all business units in this Group. Shipments outside the U.S. were 38% of total sales in the industrial Products Group in 1995, up from 36% in 1994. This was principally due to greater international demand for this Group's products, especially turret punching machines, and banding and clamping devices.

Gross profit of \$188.0 million in 1995 increased \$35.4 million or 23% from 1994. Gross profit as a percent of sales rose to 38.6% in 1995, up from 38.2% in 1994. Selling, general and administrative expenses increased to \$97.5 million in 1995 from \$84.0 million in 1994, but as a percentage of sales decreased to 20.0% in 1995 compared to 21.0% in 1994. Recent acquisitions caused goodwill amortization to increase to \$4.3 million in 1995 from \$3.1 million in 1994. As a percent of sales, goodwill amortization remained below 1% in both years.

Income from operations increased \$20.7 million or 32% to \$86.2 million in 1995 from \$65.5 million in 1994. Operating margin as a percent of sales increased to 17.7% in 1995 from 16.4% in 1994. In the Fluid Handling Group, income from operations of \$71.3 million and operating margin of 20.5% for 1995 were both higher than the \$55.3 million and 20.1% recorded in 1994. Operating margin improvements resulted primarily from volume related gains with improving business conditions in the core businesses of the Group. These factors were partially offset by inclusion of Micropump and Lukas for a portion of the year, and a full year of Hale Products activity, all of whose operating margins, as expected, were somewhat lower than the other units in the Group and whose profits were further affected by purchase accounting adjustments. Income from operations in the Industrial Products Group of \$23.2 million and operating margin of 16.6% in 1995 increased from the totals of \$18.0 million and 14.5% achieved in 1994 due primarily to volume related improvements.

Interest expense increased to \$15.9 million in 1995 from \$13.6 million in 1994 because of additional borrowings to complete the acquisitions of Micropump and Lukas, and a slightly higher interest rate environment in 1995.

The provision for income taxes increased to \$25.7 million in 1995 from \$18.9 million in 1994. The effective tax rate increased to 36.2% in 1995 from 36.0% in 1994.

Net income of \$45.3 million in 1995 was 35% higher than net income of \$33.6 million in 1994. Earnings per share of \$1.53 in 1995 increased 34% from the \$1.15 recorded in 1994.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1996, IDEX's working capital was \$108.3 million and its current ratio was 2.2 to 1. Internally generated funds were more than adequate to fund capital expenditures of \$13.8 million, \$13.0 million and \$8.9 million for 1996, 1995 and 1994, respectively, and dividends on common stock of \$12.3 million and \$10.7 million in 1996 and 1995, respectively. Capital expenditures were generally for machinery and equipment which improved productivity, although a portion was for repair and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plant and equipment to meet expected needs for future growth in the intermediate term. During 1996, 1995 and 1994, depreciation and amortization expense, excluding amortization of debt issuance expenses, was \$22.6 million, \$16.5 million and \$13.7 million, respectively.

In July 1996 the Company entered into a multi-currency amended U.S. credit agreement increasing the maximum amount available to \$250 million and improving the interest rate structure. At December 31, 1996, \$160.1 million was

borrowed under this facility,

including a Netherlands guilder borrowing of 82.0 million (\$47.1 million) which provides an economic hedge against the net investment in Fluid Management's Netherlands operation. The availability under this facility declines in stages commencing July 1, 1999, to \$200 million on July 1, 2000. Any amount outstanding at July 1, 2001, becomes due at that date. Interest is payable quarterly on the outstanding balance at the bank agent's reference rate or at LIBOR plus an applicable margin. At December 31, 1996, the applicable margin was 50 basis points. The Company also has a \$10 million demand line of credit available for short-term borrowing requirements at the bank agent's reference rate or at an optional rate based on the bank's cost of funds. At December 31, 1996, there were no borrowings under this short-term line of credit.

At December 31, 1996, the maximum amount available under the German credit agreement was DM 52.5 million (\$34.1 million), of which DM 50.0 million (\$32.5 million) was being used and provides an economic hedge against the net investment in the Lukas operation. The availability under this agreement declines in stages commencing November 1, 1997, to DM 31.3 million at November 1, 2000. Any amount outstanding at November 1, 2001, becomes due at that date. Interest is payable quarterly on the outstanding balance at LIBOR plus 100 basis points.

On July 29, 1996, IDEX acquired Fluid Management for \$135 million, including IDEX common stock valued at approximately \$2 million. The acquisition was accounted for using the purchase method of accounting and was financed through a borrowing under the U.S. credit agreement and the issuance of 113,550 shares of IDEX common stock.

In December 1996 the Company's Board of Directors authorized a three-for-two common stock split and a 12.5% increase in the quarterly cash dividend. The cash dividend on the post-split shares was set at 12 cents per common share per calendar quarter. Both the stock dividend and first increased cash dividend will be paid on January 31, 1997, to shareholders of record on January 15, 1997.

IDEX believes it will generate sufficient cash flow from operations in 1997 to meet its operating requirements, interest and scheduled amortization payments under both the amended U.S. credit agreement and the German credit agreement, interest and principal payments on the Senior Subordinated Notes, approximately \$20 million of planned capital expenditures, and approximately \$14 million of annual dividend payments to holders of common stock. From commencement of operations in January 1988 until December 31, 1996, IDEX has borrowed \$410 million under the credit agreements to complete 10 acquisitions. During this same period IDEX generated, principally from operations, cash flow of \$307 million to reduce its indebtedness. In the event that suitable businesses or assets are available for acquisition by IDEX upon terms acceptable to the Board of Directors, IDEX may obtain all or a portion of the financing for the acquisitions through the incurrence of additional long-term indebtedness.

NET SALES BY OPERATING GROUP
(in millions)

Industrial Products
Fluid Handling
[BAR GRAPH]

Year	Fluid	Indust.
1988	105	95
1989	125	97
1990	134	95
1991	139	89
1992	187	90
1993	213	96
1994	276	124
1995	348	140
1996	423	142

PROFITS BY OPERATING GROUP
(in millions)

Industrial Products
Fluid Handling
[BAR GRAPH]

Year	Fluid	Indust.
1988	26	14
1989	31	15
1990	32	12
1991	32	12
1992	38	12
1993	41	14
1994	55	18
1995	71	23
1996	83	23

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands except share and per share amounts)

As of December 31,	1996	1995
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,295	\$ 5,937
Receivables - net	91,200	70,338
Inventories	97,516	101,052
Deferred taxes	4,835	7,045
Other current assets	2,324	1,527
	-----	-----
Total current assets	201,170	185,899
Property, plant and equipment - net	102,383	91,278
Intangible assets - net	274,511	184,217
Other noncurrent assets	5,709	4,728
	-----	-----
Total assets	\$583,773	\$466,122
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	\$ 40,670	\$ 36,846
Dividends payable	3,471	3,061
Accrued expenses	48,716	42,901
	-----	-----
Total current liabilities	92,857	82,808
Long-term debt	271,709	206,184
Other noncurrent liabilities	23,698	26,185
	-----	-----
Total liabilities	388,264	315,177
	-----	-----
Shareholders' equity		
Common stock, par value \$.01 per share		
Shares authorized		
1996 - 75,000,000; 1995 - 50,000,000		
Shares issued and outstanding		
1996 - 28,925,867; 1995 - 28,695,426		
	289	287
Additional paid-in capital	89,657	86,022
Retained earnings	105,238	67,729
Accumulated translation adjustment	325	(3,093)
	-----	-----
Total shareholders' equity	195,509	150,945
	-----	-----
Total liabilities and shareholders' equity	\$583,773	\$466,122
	=====	=====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
 STATEMENTS OF CONSOLIDATED OPERATIONS
 (in thousands except per share amounts)

For the years ended December 31,	1996	1995	1994
	-----	-----	-----
Net sales	\$562,551	\$487,336	\$399,502
Cost of sales	346,397	299,315	246,858
	-----	-----	-----
Gross profit	216,154	188,021	152,644
Selling, general and administrative expenses	111,507	97,486	83,980
Goodwill amortization	6,342	4,297	3,126
	-----	-----	-----
Income from operations	98,305	86,238	65,538
Other income(expense) - net	(509)	753	559
	-----	-----	-----
Income before interest expense and income taxes	97,796	86,991	66,097
Interest expense	18,942	15,948	13,581
	-----	-----	-----
Income before income taxes	78,854	71,043	52,516
Provision for income taxes	28,656	25,718	18,906
	-----	-----	-----
Net income	\$ 50,198	\$ 45,325	\$ 33,610
	=====	=====	=====
Earnings per common share	\$ 1.69	\$ 1.53	\$ 1.15
	=====	=====	=====
Weighted average common shares outstanding	29,779	29,609	29,331
	=====	=====	=====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
 STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY
 (in thousands except share and per share amounts)

	Common Stock and Additional Paid-In Capital -----	Retained Earnings -----	Accumulated Translation Adjustment -----	Total Shareholders' Equity -----
Balance, December 31, 1993.....	\$ 84,840	\$ 2,551	\$ (3,705)	\$ 83,686
Issuance of 39,434 shares of common stock from exercise of stock options.....	294			294
Cash dividends declared -\$.09 per common share outstanding		(2,671)		(2,671)
Unrealized translation adjustment.....			1,386	1,386
Net income.....	-----	33,610	-----	33,610
Balance, December 31, 1994.....	85,134	33,490	(2,319)	116,305
Issuance of 77,461 shares of common stock from exercise of stock options.....	1,175			1,175
Cash dividends declared - \$.39 per common share outstanding.....		(11,086)		(11,086)
Unrealized translation adjustment.....			(774)	(774)
Net income.....	-----	45,325	-----	45,325
Balance, December 31, 1995.....	86,309	67,729	(3,093)	150,945
Issuance of 113,550 shares of common stock related to an acquisition.....	2,271			2,271
Issuance of 116,891 shares of common stock from exercise of stock options.....	1,366			1,366
Cash dividends declared - \$.44 per common share outstanding.....		(12,689)		(12,689)
Unrealized translation adjustment.....			3,418	3,418
Net income.....	-----	50,198	-----	50,198
Balance, December 31, 1996.....	\$ 89,946 =====	\$105,238 =====	\$ 325 =====	\$195,509 =====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
 STATEMENTS OF CONSOLIDATED CASH FLOWS
 (in thousands)

For the years ended December 31,	1996	1995	1994
	-----	-----	-----
Cash flows from operating activities			
Net income	\$ 50,198	\$ 45,325	\$ 33,610
Adjustments to reconcile net income to net cash flows from operating activities			
Depreciation and amortization	14,310	10,940	9,671
Amortization of intangibles	8,258	5,558	4,025
Amortization of debt issuance expenses	640	624	619
Deferred income taxes	5,474	2,297	2,711
Increase in receivables	(4,124)	(5,045)	(7,611)
(Increase) decrease in inventories	19,324	(10,222)	415
Increase (decrease) in trade accounts payable	(3,136)	812	8,292
Increase (decrease) in accrued expenses	(2,564)	4,331	141
Other transactions - net	4,084	470	654
Net cash flows from operating activities	92,464	55,090	52,527
Cash flows from investing activities			
Additions to property, plant and equipment	(13,769)	(13,002)	(8,896)
Acquisition of businesses (net of cash acquired)	(132,584)	(69,760)	(91,558)
Net cash flows from investing activities	(146,353)	(82,762)	(100,454)
Cash flows from financing activities			
Dividends paid	(12,278)	(10,697)	
Net borrowings under the credit agreements	64,586	37,968	50,000
Increase in accrued interest	939	50	702
Net cash flows from financing activities	53,247	27,321	50,702
Net increase (decrease) in cash	(642)	(351)	2,775
Cash and cash equivalents at beginning of year	5,937	6,288	3,513
Cash and cash equivalents at end of year	\$ 5,295	\$ 5,937	\$ 6,288
	=====	=====	=====

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands except share and per share amounts)

1. SIGNIFICANT ACCOUNTING POLICIES

BUSINESS

IDEX Corporation ("IDEX" or the "Company") is a manufacturer of a wide array of proprietary, engineered industrial products sold to a diverse customer base in a variety of industries in the U.S. and internationally. Its products include industrial pumps and controls; fire-fighting pumps and rescue equipment; dispensing and mixing equipment; stainless steel banding, clamping and sign-mounting devices; sheet metal fabricating equipment and tooling; automatic lubrication systems; small-horsepower compressors; and energy absorption equipment. These activities are grouped into two business segments: Fluid Handling and Industrial Products.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the Company and its subsidiaries. Significant intercompany transactions and accounts have been eliminated.

CASH EQUIVALENTS

For purposes of the Statements of Consolidated Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three or fewer months to be cash equivalents.

INVENTORIES

Inventories are stated at the lower of cost or market. Cost, which includes labor, material and factory overhead, is determined on the first-in, first-out ("FIFO") basis or the last-in, first-out ("LIFO") basis, as described in Note 3.

DEBT EXPENSES

Expenses incurred in securing and issuing long-term debt are amortized over the life of the related debt.

EARNINGS PER COMMON SHARE

Earnings per common share are computed by dividing net income by the weighted average number of shares of common stock and common stock equivalents outstanding during the year. Common stock equivalents, in the form of stock options, have been included in the calculation of weighted average shares outstanding using the treasury stock method. All share and per share data have been restated for the three-for-two stock split effected in the form of a stock dividend in January 1997.

DEPRECIATION AND AMORTIZATION

Depreciation is recorded using the straight-line method. The estimated useful lives used in computation of depreciation generally are as follows:

Land improvements.....	10 to 12 years
Buildings and improvements.....	3 to 30 years
Machinery and equipment, tooling and engineering drawings.....	3 to 12 years
Office equipment, mobile equipment and motor vehicles.....	3 to 10 years

Identifiable intangible assets are amortized over their estimated useful lives using the straight-line method. The cost in excess of net assets acquired is amortized on a straight-line basis over a period of 30 to 40 years.

The carrying amount of all long-lived assets is evaluated annually to determine if adjustment to the depreciation and amortization period or to the unamortized balance is warranted.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SUPPLEMENTAL CASH FLOW INFORMATION

A summary of supplemental cash flow information follows:

	1996	1995	1994
	----	----	----
Cash paid for -			
Interest.....	\$ 17,363	\$ 15,303	\$ 12,007
Income taxes.....	23,857	21,793	16,608
Noncash investing activities -			
Liabilities assumed in			

connection with acquisition
of businesses:

Fair value of assets acquired.....	\$ 51,055	\$ 50,218	\$ 47,187
Cost in excess of net assets acquired.....	101,473	34,386	63,069
Cash paid.....	(132,584)	(69,760)	(91,558)
Common stock issued in connection with acquisitions.....	(2,271)	-----	-----
Liabilities assumed.....	\$ 17,673	\$ 14,844	\$ 18,698
	=====	=====	=====

3. BALANCE SHEET COMPONENTS

The components of inventories as of December 31, 1996 and 1995 were:

	1996	1995
	----	----
Raw materials.....	\$16,946	\$ 13,978
Work in process.....	14,909	15,434
Finished goods.....	65,661	71,640
	-----	-----
Total.....	\$97,516	\$101,052
	=====	=====

Those inventories which were carried on a LIFO basis amounted to \$62,068 and \$57,409 at December 31, 1996 and 1995, respectively. The excess of current cost over LIFO inventory value and the impact on earnings of using the LIFO method are not material.

The components of certain other balance sheet accounts as of December 31, 1996 and 1995 were:

	1996	1995
	-----	-----
Receivables		
Customers.....	\$ 88,838	\$ 71,424
Other.....	4,749	1,073
	-----	-----
Total.....	93,587	72,497
Less allowance for doubtful accounts.....	2,387	2,159
	-----	-----
Receivables - net.....	\$ 91,200	\$ 70,338
	=====	=====
Property, plant and equipment, at cost		
Land and improvements.....	\$ 8,090	\$ 8,836
Buildings and improvements.....	55,988	51,708
Machinery and equipment.....	139,769	130,518
Engineering drawings.....	9,592	9,383
Office equipment.....	21,857	16,074
Mobile equipment and motor vehicles	2,294	2,353
Construction in progress.....	1,058	2,386
	-----	-----
Total.....	238,648	221,258
Less accumulated depreciation and amortization.....	136,265	129,980
	-----	-----
Property, plant and equipment - net.....	\$102,383	\$ 91,278
	=====	=====
Intangible assets		
Cost in excess of net assets acquired.....	\$282,972	\$186,928
Other.....	28,904	26,283
	-----	-----
Total.....	311,876	213,211
Less accumulated amortization.....	37,365	28,994
	-----	-----
Intangible assets - net.....	\$274,511	\$184,217
	=====	=====
Accrued expenses		
Accrued payroll and related items.....	\$ 22,088	\$ 20,229
Accrued taxes.....	6,308	7,537
Accrued insurance.....	2,959	2,555
Other accrued liabilities.....	17,361	12,580
	-----	-----
Total.....	\$ 48,716	\$ 42,901
	=====	=====
Other noncurrent liabilities		
Pension and retiree medical reserves.....	\$ 15,182	\$ 15,078
Lease obligations.....	2,265	2,328
Other noncurrent liabilities.....	6,251	8,779
	-----	-----
Total.....	\$ 23,698	\$ 26,185
	=====	=====

4. LEASE COMMITMENTS

At December 31, 1996, total minimum rental payments under noncancelable operating leases, primarily for office facilities, warehouses and data processing equipment, were \$20.4 million. The future minimum rental commitments for each of the next five years are as follows: 1997 -- \$4.8 million; 1998 -- \$3.7 million; 1999 -- \$2.9 million; 2000 -- \$2.3 million; 2001 - -- \$1.6 million; thereafter -- \$5.1 million.

Rental expense totaled \$5.9 million, \$4.8 million and \$4.4 million for the years ended December 31, 1996, 1995 and 1994, respectively.

5. RETIREMENT BENEFITS

The Company has a number of noncontributory defined benefit and defined contribution pension plans covering substantially all employees, other than certain bargaining unit employees who participate in a multiemployer pension plan. The defined benefit plans covering salaried employees provide pension benefits that are based on compensation over an employee's full career. The defined benefit plans covering hourly employees and bargaining unit members generally provide benefits of stated amounts for each year of service. The Company's funding policy for these plans is to fund benefits as accrued within the minimum and maximum limitations of the Internal Revenue Code. The defined contribution plans provide for annual contributions to individuals' accounts. The level of the contribution is generally a percent of salary based on age and years of service.

Pension costs for the years ended December 31, 1996, 1995 and 1994 included the following components:

1996	1995	1994
------	------	------

Service cost -- benefits earned during the period.....	\$ 3,200	\$ 2,214	\$ 2,382
Interest cost on projected benefit obligation.....	4,112	2,908	2,874
Actual return on assets.....	(8,509)	(8,172)	1,621
Net amortization and deferral.....	4,997	5,407	(4,177)
	-----	-----	-----
Net periodic pension cost.....	3,800	2,357	2,700
Contributions to multiemployer plan, defined contribution plans and other.....	3,538	2,780	2,495
	-----	-----	-----
Total pension costs.....	\$ 7,338	\$ 5,137	\$ 5,195
	=====	=====	=====

Assumptions used in accounting for pension costs at December 31, were:

Assumed discount rate	7.50%	7.25%	8.50%
Assumed rate of compensation increase for salaried plans.....	4.0 %	4.0 %	4.0 %
Expected rate of return on plan assets.....	9.0 %	8.0 %	8.0 %

The funded status of the defined benefit plans and amounts recognized in the Company's consolidated balance sheets at December 31, 1996 and 1995 are presented below:

	U.S. PLANS		NON-U.S.
	ASSETS EXCEED ACCUMULATED BENEFITS	ACCUMULATED BENEFITS EXCEED ASSETS	ACCUMULATED BENEFITS EXCEED ASSETS
DECEMBER 31, 1996			
Actuarial present value of benefit obligations			
Vested benefit obligation.....	\$34,543	\$ 9,722	\$ 8,471
Accumulated benefit obligation.....	\$37,871	\$10,395	\$ 8,504
Projected benefit obligation.....	\$44,433	\$10,522	\$ 8,892
Plan assets at fair value (1).....	43,807	4,816	4,196
Projected benefit obligation in excess of plan assets.....	(626)	(5,706)	(4,696)
Prior service cost not yet recognized.....	3,217	572	
Unrecognized net obligation at date of transition (2).....	(1,071)	691	
Unrecognized net (gain) loss.....	(1,741)	1,594	(365)
Pension liability.....	\$ (221)	\$(2,849)	\$(5,061)
DECEMBER 31, 1995			
Actuarial present value of benefit obligations			
Vested benefit obligation.....	\$24,539	\$ 8,685	\$ 8,017
Accumulated benefit obligation.....	\$26,279	\$ 9,407	\$ 8,017
Projected benefit obligation.....	\$37,413	\$ 9,719	\$ 8,315
Plan assets at fair value (1).....	37,967	3,644	3,286
Projected benefit obligation less than (in excess of) plan assets.....	554	(6,075)	(5,029)
Prior service cost not yet recognized.....	2,101	433	
Unrecognized net obligation at date of transition (2).....	(1,292)	720	
Unrecognized net (gain) loss.....	(659)	2,253	(326)
Pension liability.....	\$ 704	\$(2,669)	\$(5,355)

(1) Primarily listed stocks and publicly traded fixed income securities.

(2) Amortized by plan over the greater of the average remaining service period of the employee workforce of 15 years.

6. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Company provides health care and life insurance benefits to certain retired employees, their covered dependents and beneficiaries. The Company provides for the estimated cost of such retiree benefit payments during the employee's active service period.

Net periodic postretirement expense for 1996, 1995 and 1994 includes the following components:

	1996	1995	1994
Service cost -- benefits earned during the period.....	\$ 310	\$ 264	\$341
Interest cost on accumulated postretirement benefit obligation	528	582	655
Net amortization and deferral.....	(272)	(260)	(66)
Total cost.....	\$(566)	\$ 586	\$930

The Company's postretirement benefit plans are not funded. The accumulated postretirement benefit obligation (APBO) of the plans at December 31, 1996 and 1995 is as follows:

1996	1995
-----	-----

Retirees.....	\$ 2,595	\$ 3,069
Fully eligible active participants.....	651	797
Other active participants.....	5,123	4,974
	-----	-----
Total APBO.....	8,369	8,840
Unrecognized gain.....	1,838	1,149
	-----	-----
Accrued postretirement health care costs.....	\$10,207	\$ 9,989
	=====	=====

For measurement purposes, a 12% annual rate of increase in the cost of covered health care benefits was assumed for 1996, gradually declining to 6% by the year 2008 and remaining at that level thereafter. The health care trend rate assumption has a significant effect on the amount of the obligation and the net periodic cost reported. An increase or decrease of the trend rate of 1% would change the accumulated postretirement benefit obligation as of December 31, 1996 by \$1.2 million and the net periodic cost for this year by \$.1 million. The assumed discount rate used in determining the accumulated postretirement benefit obligation was 7.5% in 1996 and 7.25% in 1995.

7. LONG-TERM DEBT

Long-term debt at December 31, 1996 and 1995 consisted of the following:

	1996	1995
	-----	-----
Bank revolving credit facilities, including accrued interest.....	\$196,709	\$131,184
9-3/4% Senior Subordinated Notes....	75,000	75,000
	-----	-----
Long-term debt.....	\$271,709	\$206,184
	=====	=====

In July 1996 the Company entered into a multicurrency amended and restated domestic bank revolving credit facility (the "U.S. Agreement") increasing the maximum availability to \$250 million and improving the interest rate structure. The availability under the U.S. Agreement declines in stages commencing July 1, 1999, to \$200 million at July 1, 2000. Any amount outstanding at July 1, 2001, becomes due at that date. At December 31, 1996, \$160.1 million of the maximum availability was being used, including a Netherlands guilder borrowing of \$2.0 million (\$47.1 million). Interest on the outstanding borrowings under the U.S. Agreement is payable quarterly at a rate based on the bank agent's reference rate or, at the Company's election, at a rate based on LIBOR plus 50 basis points per annum. The weighted average interest rate on outstanding borrowings under the U.S. Agreement was 6.0% at December 31, 1996. A facility fee equal to 15 basis points per annum is payable quarterly on the entire \$250 million available under the U.S. Agreement. In July 1996 IDEX borrowed \$133 million under the U.S. Agreement to finance the acquisition of the Fluid Management (see Note 13). In September 1996 the Company entered into a \$10 million demand line of credit expiring on June 1, 1997, for short-term borrowing requirements at the bank agent's reference rate, or at an optional rate based on the bank's cost of funds. At December 31, 1996, there were no borrowings under this short-term line of credit.

A DM 52.5 million (\$34.1 million) credit facility (the "German Agreement"), entered into by Lukas Hydraulik GmbH KG and guaranteed by IDEX, declines in stages commencing November 1, 1997, to DM 31.3 million at November 1, 2000. Any amount outstanding at November 1, 2001, becomes due at the date. At December 31, 1996, DM 50.0 million (\$32.5 million) was being used. Interest is payable quarterly on the outstanding balance at LIBOR plus 100 basis points per annum.

Total long-term debt outstanding at December 31, 1996 and 1995 includes \$4.2 million and \$3.2 million, respectively, of accrued interest as interest is generally paid through borrowings under the U.S. Agreement.

Borrowings under the U.S. Agreement are guaranteed jointly and severally by certain of the Company's subsidiaries and secured by a pledge of their stock and intercompany notes.

The Company's \$75 million of Senior Subordinated Notes ("Notes") due 2002 are jointly and severally guaranteed by certain of the Company's subsidiaries and are subordinated to the U.S. Agreement. Interest is payable semiannually at the rate of 9-3/4% per annum. The Notes are payable in annual installments of \$18.75 million commencing in 2000 and are redeemable at various premiums by the Company commencing in 1997. At December 31, 1996, the fair market value of the Notes is approximately \$78 million based on the quoted market price.

The U.S. Agreement and the Indenture for the Notes permit the payment of cash dividends only to the extent that no default exists under such agreements and limit the amount of such dividends in accordance with specified formulas. At December 31, 1996, cash available for dividends on common stock for 1997 is limited to approximately \$54.3 million under the most restrictive of these provisions.

8. CONTINGENCIES

The Company is involved in certain litigation arising in the ordinary course of business. None of these matters is expected to have a material adverse effect on the Company's financial position or results of operations. However, the ultimate resolution of these matters could result in a change in the Company's estimates of its liability for these matters.

9. COMMON AND PREFERRED STOCK

On December 19, 1996, the Company's Board of Directors authorized a three-for-two common stock split to be effected in the form of a 50% stock dividend payable on January 31 1997, to shareholders of record on January 15, 1997. Par value of common stock remained at \$.01 per share. Shareholders' equity has been restated to give retroactive recognition to the stock split for all periods presented by reclassifying from additional paid-in capital to common stock the par value for the additional shares arising from the split. All references in the financial statements to number of shares, per share amounts and market prices of the Company's common stock have been restated.

At December 31, 1996 and 1995, the Company had five million shares of preferred stock authorized but unissued.

10. STOCK OPTIONS

The Company has stock option plans providing for the grant of options to purchase common shares to outside directors, executives and certain key employees using the intrinsic value method. Accordingly, no compensation cost has been recognized. In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" which the Company adopted in 1996. The Company retained the intrinsic value method of accounting for stock based compensation expense with certain additional disclosures as allowed by the statement. Had compensation cost been determined using the fair value method the Company's net income and earnings per common share (EPS) would have been as follows:

		1996	1995
		-----	-----
Net income	As reported	\$50,198	\$45,325
	Pro forma	49,312	45,022
Primary EPS	As reported	1.69	1.53
	Pro forma	1.66	1.52

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions for 1996 and 1995, respectively: dividend yield of 1.7% and 1.86%; volatility of 28.6% and 29.7%; risk-free interest rates of 6.2% and 6.9%; and expected lives of 5-1/2 years.

The Compensation Committee of the Board of Directors administers the plans and approves stock option grants. The Company may grant options for up to five million shares. Stock options granted under the plans are exercisable at a price equal to the market value of the stock at the date of grant. The options become exercisable from one to five years from the date of grant and generally expire 10 years from the date of grant. The following table summarizes option activity under the plans:

	Number of Options	Weighted Average Option Price Per Share
	-----	-----
Outstanding at December 31, 1993	1,316,280	\$ 7.18
Granted.....	437,738	16.57
Exercised.....	(39,434)	3.37
Forfeited	(87,120)	12.40

Outstanding at December 31, 1994	1,627,464	9.52
Granted.....	336,600	20.08
Exercised.....	(77,461)	10.45
Forfeited	(31,995)	14.51

Outstanding at December 31, 1995	1,854,608	11.27
Granted.....	442,875	25.56
Exercised.....	(116,891)	6.32
Forfeited	(45,900)	20.63

Outstanding at December 31, 1996.....	2,134,692	14.27
	=====	
Exercisable at December 31, 1994.....	625,606	3.50
	=====	
Exercisable at December 31, 1995.....	786,576	5.59
	=====	
Exercisable at December 31, 1996.....	953,482	8.38
	=====	

The following table summarizes information about options outstanding at December 31, 1996:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Remaining Life of Contract	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 0 to 7	447,014	1.7 years	\$ 1.26	447,014	\$ 1.26
8 to 19	962,835	6.6 years	13.56	437,978	13.75
20 to 28	724,843	8.9 years	23.25	68,490	20.50
\$ 0 to 28	<u>2,134,692</u>	6.4 years	\$14.27	<u>953,482</u>	\$ 8.38

11. BUSINESS SEGMENTS AND GEOGRAPHIC INFORMATION

IDEX consists of two business segments: Fluid Handling and Industrial Products. No single customer accounted for more than 2% of consolidated sales.

Segment information for the years ended December 31, 1996, 1995 and 1994 is presented under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Information about the Company's operations in different geographical regions for the years ended December 31, 1996, 1995 and 1994 is shown below. The Company's primary areas of operation outside the U.S. include North America, Europe and the Far East.

	1996	1995	1994
Sales			
North America.....	\$426,747	\$401,654	\$342,695
Europe.....	130,042	80,415	52,323
Other.....	5,762	5,267	4,484
Total.....	<u>\$562,551</u>	<u>\$487,336</u>	<u>\$399,502</u>
Income from operations			
North America.....	\$ 77,134	\$ 73,724	\$ 57,125
Europe.....	20,296	11,528	7,434
Other.....	875	986	979
Total.....	<u>\$ 98,305</u>	<u>\$ 86,238</u>	<u>\$ 65,538</u>
Identifiable assets			
North America.....	\$415,854	\$357,393	\$315,219
Europe.....	160,161	106,457	53,580
Other.....	7,758	2,272	2,297
Total.....	<u>\$583,773</u>	<u>\$466,122</u>	<u>\$371,096</u>

Export sales from the U.S. for the years ended December 31, 1996, 1995 and 1994 were to the following geographical areas:

	1996	1995	1994
North America.....	\$ 22,055	\$ 20,537	\$ 21,911
South America.....	13,627	8,947	6,009
Europe.....	12,358	10,339	8,068
Far East.....	21,928	21,952	12,347
Other.....	17,950	15,247	15,413
Total.....	<u>\$ 87,918</u>	<u>\$ 72,022</u>	<u>\$ 63,748</u>

12. INCOME TAXES

Pretax income for the years ended December 31, 1996, 1995 and 1994 was taxed under the following jurisdictions:

	1996	1995	1994
Domestic.....	\$ 59,104	\$ 56,969	\$ 45,263
Foreign.....	19,750	14,074	7,253
Total.....	\$ 78,854	\$ 71,043	\$ 52,516

The provision for income taxes for the years ended December 31, 1996, 1995 and 1994 was as follows:

Current			
U.S.	\$ 17,657	\$ 19,369	\$ 13,007
State and local.....	1,398	1,326	841
Foreign.....	4,127	2,726	2,550
Total current.....	23,182	23,421	16,398
Deferred			
U.S.	2,884	438	2,579
State and local.....	125	(189)	537
Foreign.....	2,465	2,048	(608)
Total deferred.....	5,474	2,297	2,508
Total provision for income taxes.....	\$ 28,656	\$ 25,718	\$ 18,906

Deferred (prepaid) income taxes result from the following:

	1996	1995	1994
Employee and retiree benefit plans.....	\$ 147	\$ 228	\$ 61
Depreciation and amortization.....	1,195	474	1,284
Inventories.....	699	(607)	636
Allowances and accruals	4,053	1,785	(262)
Financing.....	(100)	(86)	1,041
Other.....	(520)	503	(252)
Total deferred tax provision	\$5,474	\$ 2,297	\$ 2,508

Deferred tax assets (liabilities) comprise the following at December 31, 1996 and 1995:

	1996	1995
	-----	-----
Employee and retiree benefit plans.....	\$ 6,769	\$ 6,839
Depreciation and amortization.....	(10,284)	(9,089)
Inventories.....	(536)	(170)
Allowances and accruals.....	5,970	8,898
Financing.....	(312)	(412)
Other.....	(330)	(832)
	-----	-----
Total.....	\$ 1,277	\$ 5,234
	=====	=====

The consolidated balance sheets at December 31, 1996 and 1995 include current deferred tax assets of \$4,835 and \$7,045, respectively, classified as "Deferred taxes" and noncurrent deferred tax liabilities of \$3,558 and \$1,811, respectively, included in "Other noncurrent liabilities."

The total income tax provision differs from the amount computed by applying the statutory federal income tax rate to pretax income. The computed amount and the differences for the years ended December 31, 1996, 1995 and 1994 were as follows:

	1996	1995	1994
	-----	-----	-----
Pretax income.....	\$78,854	\$71,043	\$52,516
	=====	=====	=====
Income tax provision:			
Computed amount at statutory rate of 35%.....	\$27,599	\$24,865	\$18,381
Foreign sales corporation.....	(1,091)	(918)	(657)
Amortization of cost in excess of net assets acquired.....	932	904	670
State and local income tax.....	1,523	1,137	1,378
Other-net	(307)	(270)	(866)
	-----	-----	-----
Total income tax provision.....	\$28,656	\$25,718	\$18,906
	=====	=====	=====

No provision has been made for U.S. or additional foreign taxes on \$12.8 million of undistributed earnings of foreign subsidiaries which are permanently reinvested. It is not practical to estimate the amount of additional tax which might be payable if these earnings were repatriated. However, the Company believes that U.S. foreign tax credits would, for the most part, eliminate any additional U.S. tax and offset any additional foreign tax.

13. ACQUISITION OF FLUID MANAGEMENT LIMITED PARTNERSHIP

On July 29, 1996, IDEX purchased substantially all of the net operating assets of Fluid Management Limited Partnership ("FMLP"), a leading worldwide manufacturer of dispensing and mixing equipment for paints, coatings, inks, colorants and dyes. The \$135 million purchase price was financed through a borrowing under the U.S. Agreement and the issuance of 113,550 shares of IDEX common stock. The excess of the purchase price over the fair market value of net assets acquired of approximately \$101.5 million is being amortized over 30 years. The acquisition has been accounted for by the purchase method of accounting.

The unaudited pro forma consolidated results of operations for the years ended December 31, 1996 and 1995, reflecting the allocation of the purchase price an related financing of the transactions would have been as follows, assuming that the FMLP acquisition had occurred at the beginning of each of the respective periods.

	1996	1995
	-----	-----
Net sales.....	\$610,862	\$572,954

Net income.....	51,048	47,235
Primary EPS.....	1.71	1.59

FMLP's financial performance for the period January 1 to July 29, 1996, prior to the acquisition was adversely affected by volume-related profit declines in Europe and startup costs associated with major new product introductions.

14. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations for the years ended december 31, 1996 and 1995:

	QUARTER			
	FIRST -----	SECOND -----	THIRD -----	FOURTH -----
DECEMBER 31, 1996				
Net Sales.....	\$133,886	\$131,169	\$140,864	\$156,632
Gross profit.....	51,664	51,053	54,368	59,069
Income from operations.....	23,416	23,737	23,746	27,406
Net income.....	12,214	12,662	11,829	13,494
Earnings per common share.....	\$.41	\$.43	\$.40	\$.45
Weighted average shares outstanding.....	29,726	29,735	29,735	29,711
DECEMBER 31, 1995				
Net Sales.....	\$116,580	\$127,203	\$116,807	\$126,746
Gross profit.....	45,073	49,173	44,897	48,878
Income from operations.....	20,474	23,147	20,369	22,248
Net income.....	10,762	12,319	10,681	11,563
Earnings per common share.....	\$.37	\$.42	\$.36	\$.39
Weighted average shares outstanding.....	29,436	29,552	29,762	29,750

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of IDEX Corporation

We have audited the accompanying consolidated balance sheets of IDEX Corporation and its subsidiaries as of December 31, 1996 and 1995 and the related statements of consolidated operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries at December 31, 1996 and 1995 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

[SIGNATURE OF Deloitte & Touche LLP]

Deloitte & Touche LLP

Chicago, Illinois
January 21, 1997

MANAGEMENT REPORT

IDEX Corporation's management is responsible for the fair presentation and consistency of all financial data included in this Annual Report in accordance with generally accepted accounting principles. Where necessary, the data reflect management's best estimates and judgments.

Management also is responsible for maintaining a system of internal accounting controls with the objectives of providing reasonable assurance that IDEX's assets are safeguarded against material loss from unauthorized use or disposition and that authorized transactions are properly recorded to permit the preparation of accurate financial data. Cost benefit judgments are an important consideration in this regard. The effectiveness of internal controls is maintained by personnel selection and training, division of responsibilities, establishment and communication of policies, and ongoing internal review programs and audits. Management believes that IDEX's system of internal controls as of December 31, 1996 is effective and adequate to accomplish the above described objectives.

[SIGNATURE OF Donald N. Boyce]

Donald N. Boyce
Chairman of the Board, President and Chief Executive Officer

[SIGNATURE OF Frank J. Hansen]

Frank J. Hansen
Senior Vice President--Operations and Chief Operating Officer

[SIGNATURE OF Wayne P. Sayatovic]

Wayne P. Sayatovic
Senior Vice President--Finance, Chief Financial Officer and Secretary

Northbrook, Illinois
January 21, 1997

[PHOTO] BAND-IT-IDEX, INC.
4799 Dahlia St.
Denver, CO 80216
(303) 320-4555

P. PETER MERKEL, JR.
President
Age: 63
Years of Service: 24

[PHOTO] CORKEN, INC.
3805 N.W. 36th St.
Oklahoma City,
OK 73112
(405) 946-5576

JEFFREY L. HOHMAN
President
Age: 43
Years of Service: 6

[PHOTO] FLUID MANAGEMENT, INC.
1023 South Wheeling Rd.
Wheeling, IL 60090
(847) 537-0880

DAVID T. WINDMULLER
President
Age: 39
Years of Service: 16

[PHOTO] FLUID MANAGEMENT
EUROPE B.V.
Hub Van Doorneweg 31
2171 KZ Sassenheim
Netherlands
31-252-230604

LEENDERT HELLENBERG
President-
Europe & Asia
Age: 51
Years of Service: 12

[PHOTO] HALE PRODUCTS, INC.
700 Spring Mill Ave.
Conshohocken, PA 19428
(610) 825-6300

WADE H. ROBERTS, JR.
President
Age: 50
Years of Service: 6

[PHOTO] LUBRIQUIP, INC.
18901 Cranwood Pkwy.
Warrensville Heights,
OH 44128
(216) 581-2000

MARK W. BAKER
President
Age: 48
Years of Service: 18

[PHOTO] MICROPUMP, INC.
1402 N.E. 136th Ave.
Vancouver, WA 98684
(306) 253-2008

JAMES R. FLUHARTY
President
Age: 53
Years of Service: 6

[PHOTO] PULSAFEEDER, INC.
2883 Brighton-
Henrietta Town Line Rd.
Rochester, NY 14623
(716) 292-8000

RÓDNEY L. USHER
President
Age: 51
Years of Service: 16

[PHOTO] SIGNFIX LIMITED
Bath Rd., Upper Langford
Bristol BS18 7DJ
England
44(0)1934 852888

ROGER N. GIBBINS
Managing Director
Age: 51
Years of Service: 12

[PHOTO] STRIPPIT, INC.
12975 Clarence
Center Rd.
Akron, NY 14001
(716) 542-4511

JOHN P. SNOW
President
Age: 52
Years of Service: 20

[PHOTO] VIBRATECH, INC.
11980 Walden Ave.
Alden, NY 14004
(716) 937-6600

RALPH N. YORIO
President
Age: 50
Years of Service: 10

[PHOTO] VIKING PUMP, INC.
406 State St.
Cedar Falls, IA 50613
(319) 266-1741

JOHN L. MCMURRAY
President
Age: 46
Years of Service: 4

[PHOTO] WARREN RUPP, INC.
800 North Main St.
Mansfield, OH 44902
(419) 524-8388

JEFFREY F. FEHR
President
Age: 45
Years of Service: 5

NOTE: Years of service includes periods prior to acquisition by IDEX.

[PHOTO]

From Left to Right: Wade H. Roberts, Jr., Douglas C. Lennox, P. Peter Merkel, Jr., Mark W. Baker, Donald N. Boyce, Frank J. Hansen, Wayne P. Sayatovic, Clinton L. Kooman, Jerry N. Derck

CORPORATE OFFICERS

DONALD N. BOYCE
Chairman of the Board,
President and Chief
Executive Officer
Age: 58
Years of Service: 27

FRANK J. HANSEN
Senior Vice President -
Operations and Chief
Operating Officer
Age: 55
Years of Service: 21

WAYNE P. SAYATOVIC
Senior Vice President -
Finance, Chief Financial
Officer and Secretary
Age: 50
Years of Service: 24

MARK W. BAKER
Vice President -
Group Executive
Age: 48
Years of Service: 18

JERRY N. DERCK
Vice President -
Human Resources
Age: 49
Years of Service: 4

P. PETER MERKEL, Jr.
Vice President -
Group Executive
Age: 63
Years of Service: 24

WADE H. ROBERTS, JR.
Vice President -
Group Executive
Age: 50
Years of Service: 6

CLINTON L. KOOMAN
Controller
Age: 53
Years of Service: 32

DOUGLAS C. LENNOX
Treasurer
Age: 44
Years of Service: 17

Member of:
+ Executive Committee
* Audit Committee
Compensation Committee
NOTE: Years of service for
corporate officers includes
periods prior to acquisition.

DIRECTORS

DONALD N. BOYCE +
Chairman of the Board,

President and Chief
Executive Officer
IDEX Corporation
Northbrook, Illinois
Age: 58
Years of Service: 9

RICHARD E. HEATH
Partner
Hodgson, Russ, Andrews,
Woods & Goodyear
Buffalo, New York
Age: 66
Years of Service: 8

HENRY R. KRAVIS
General Partner
Kohlberg Kravis Roberts & Co.
New York, New York
Age: 52
Years of Service: 9

WILLIAM H. LUERS *#
President
Metropolitan Museum of Art
New York, New York
Age: 67
Years of Service: 8

PAUL E. RAETHER
General Partner
Kohlberg Kravis Roberts & Co.
New York, New York
Age: 50
Years of Service: 9

CLIFTON S. ROBBINS +
General Partner
Kohlberg Kravis Roberts & Co.
New York, New York
Age: 38
Years of Service: 9

GEORGE R. ROBERTS
General Partner
Kohlberg Kravis Roberts & Co.
San Francisco, California
Age: 53
Years of Service: 9

NEIL A. SPRINGER *#
Managing Director
Springer Souder & Assoc. L.L.C.
Chicago, Illinois
Age: 58
Years of Service: 7

MICHAEL T. TOKARZ +
General Partner
Kohlberg Kravis Roberts & Co.
New York, New York
Age: 47
Years of Service: 9

SHAREHOLDER INFORMATION

CORPORATE EXECUTIVE

OFFICES
 IDEX Corporation
 630 Dundee Road
 Northbrook, Illinois 60062
 (847) 498-7070

INVESTOR INFORMATION

Shareholders and prospective investors are welcome to call or write with questions or requests for additional information. Please direct inquiries to: Wayne P. Sayatovic, Senior Vice President - Finance, Chief Financial Officer and Secretary. News releases and other background information are available at no charge by calling 1-800-758-5804, ext. 110769 for fax service, or under <http://www.prnewswire.com> on the Internet.

REGISTRAR AND TRANSFER AGENT

Inquiries about stock transfers or address changes should be directed to:
 Harris Trust and Savings Bank
 311 West Monroe Street
 Chicago, Illinois 60690
 (312) 461-2288

INDEPENDENT AUDITORS

Deloitte & Touche LLP
 Two Prudential Plaza
 180 North Stetson Avenue
 Chicago, Illinois 60601

DIVIDEND POLICY

IDEX increased the quarterly dividend on its common stock beginning January 31, 1997 to \$.12 per post-split share per calendar quarter, up 12.5% from last year's dividend. The declaration of future dividends is within the discretion of the Board of Directors and will depend upon, among other things, business conditions, earnings, and IDEX's financial condition. See Notes 7 and 9 of the Notes to Consolidated Financial Statements.

STOCK MARKET INFORMATION

IDEX common stock was held by 1,305 shareholders at December 31, 1996, and is traded on the New York Stock Exchange and the Chicago Stock Exchange under the ticker symbol IEX.

FORM 10-K

Shareholders may obtain a copy of the Form 10-K filed with the Securities and Exchange Commission by directing a request to IDEX.

ANNUAL MEETING

The Annual Meeting of IDEX Shareholders will be held on Tuesday, March 25, 1997 at 10:00 a.m. in the Shareholders Room of Bank of America Illinois, 231 South LaSalle Street, Chicago, Illinois 60697.

STOCK HISTORY
 QUARTERLY CLOSING PRICES
 [BAR GRAPH]

1989	7.5
1990	4.75
1991	7.5
1992	10.5
1993	15.88
1994	18.75
1995	27.13

QUARTERLY STOCK PRICE	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
1996 High	27 5/8	27 3/8	26 1/8	26 3/4
Low	24 1/4	25	19 7/8	22
Close	25 7/8	25 3/8	22 1/8	26 5/8
1995 High	20 5/8	23 1/8	29 1/2	28 7/8
Low	18 3/8	19 1/8	22 3/8	24 3/8
Close	19 7/8	22 3/8	23 7/8	27 1/8

[IDEX LOGO]

IDEX CORPORATION
630 Dundee Road
Northbrook, Illinois 60062

SUBSIDIARIES OF IDEX CORPORATION
December 31, 1996

SUBSIDIARY -----	JURISDICTION OF INCORPORATION -----	OTHER NAME WHICH DOING BUSINESS IF ANY -----
BAND-IT-IDEX, INC. BAND-IT COMPANY LTD. BAND-IT CLAMPS (ASIA) PTE. LTD.	DELAWARE UNITED KINGDOM SINGAPORE	
CORKEN, INC.	DELAWARE	
FMI MANAGEMENT COMPANY FLUID MANAGEMENT, INC. FLUID MANAGEMENT EUROPE B.V. FLUID MANAGEMENT U.K. LTD. FLUID MANAGEMENT FRANCE SARL FLUID MANAGEMENT ESPANA SLU FLUID MANAGEMENT SCANDINAVIA AB FLUID MANAGEMENT GmbH FLUID MANAGEMENT AUSTRALIA PTY.LTD. FLUID MANAGEMENT SERVICES, INC. FLUID MANAGEMENT CANADA FLUID MANAGEMENT SERVICOS e VENDES	DELAWARE DELAWARE NETHERLANDS UNITED KINGDOM FRANCE SPAIN SWEDEN GERMANY AUSTRALIA CANADA BRAZIL	
HALE PRODUCTS, INC. HALE PRODUCTS EUROPE GmbH GODIVA PRODUCTS LTD. SEITHAL LIMITED GODIVA GROUP LTD. GINSWAT LTD. DUNJA LUKAS HYDRAULIK GmbH	PENNSYLVANIA GERMANY UNITED KINGDOM UNITED KINGDOM UNITED KINGDOM HONG KONG GERMANY GERMANY	
LUBRIQUIP, INC. KLS LUBRIQUIP, INC.	DELAWARE WISCONSIN	
MICROPUMP, INC. MM HOLDING CO. CONSIG, LLC MICROPUMP LIMITED	DELAWARE DELAWARE WASHINGTON UNITED KINGDOM	
PULSAFEEDER, INC. PULSAFEEDER PTE. LTD.	DELAWARE SINGAPORE	
SIGNFIX HOLDINGS LIMITED SIGNFIX LIMITED TESPA FRANCE SARL TESPA GmbH	UNITED KINGDOM UNITED KINGDOM FRANCE GERMANY	
STRIPPIT, INC. STRIPPIT LIMITED STRIPPIT S.A.	DELAWARE UNITED KINGDOM FRANCE	BURGMAS
VIBRATECH, INC.	DELAWARE	

SUBSIDIARIES OF IDEX CORPORATION
December 31, 1996

SUBSIDIARY -----	JURISDICTION OF INCORPORATION -----	OTHER NAME WHICH DOING BUSINESS IF ANY -----
VIKING PUMP, INC. VIKING PUMP INTERNATIONAL, INC. VIKING PUMP (EUROPE) LTD. JOHNSON PUMP (UK) LTD. VIKING PUMP OF CANADA, INC.	DELAWARE DELAWARE IRELAND UNITED KINGDOM ONTARIO	
WARREN RUPP, INC. WARREN RUPP (EUROPE) LTD.	DELAWARE IRELAND	MARATHON PUMP COMPANY
IDEX FOREIGN SALES CORP.	BARBADOS	

INDEPENDENT AUDITORS' CONSENT

IDEX Corporation:

We consent to the incorporation by reference in the Registration Statements (File Numbers 33-47678, 33-56586, 33-67688 and 333-18643) of IDEX Corporation on Form S-8 of our reports dated January 21, 1997, appearing in and incorporated by reference in the Annual Report on Form 10-K of IDEX Corporation for the year ended December 31, 1996.

/S/Deloitte & Touche LLP

Deloitte & Touche LLP
Chicago, Illinois

January 21, 1997

YEAR
DEC-31-1996
DEC-31-1996 5,295
0
93,587
2,387
97,516
201,170 238,648
136,265
583,773
92,857 271,709
0 0
289
583,773 195,220
562,551
562,551 562,551
346,397
464,246
(509)
1,623
18,942
78,854
28,656
50,198
0
0 0
50,198
1.69
0