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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2006

OR

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

COMMISSION FILE NUMBER 1-10235

IDEX 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: (847) 498-7070

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 [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer.

Large accelerated filer [X] Accelerated filer [ ]   Non-accelerated filer [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

Number of shares of common stock of IDEX Corporation outstanding as of July 31, 2006: 53,462,780 (net of treasury shares).

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

	JUNE 30, 2006	DECEMBER 31, 2005
ASSETS		
Current assets		
Cash and cash equivalents	$ 51,052	$ 77,202
Receivables, less allowance for doubtful accounts of $4,368 at June 30, 2006 and $3,687 at December 31, 2005	154,588	129,816
Inventories	138,204	123,631
Assets held for sale	9,109	9,138
Other current assets	15,189	11,006
Total current assets	368,142	350,793
Property, plant and equipment -- net	154,675	142,663
Goodwill	778,744	691,399
Intangible assets -- net	54,639	28,615
Other noncurrent assets	30,314	30,710
Total assets	$ 1,386,514	$ 1,244,180
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 78,848	$ 67,047
Accrued expenses	91,455	72,481
Short-term borrowings	7,773	3,144
Liabilities held for sale	3,465	4,303
Dividends payable	7,999	6,321
Total current liabilities	189,540	153,296
Long-term borrowings	190,998	156,899
Other noncurrent liabilities	93,231	110,975
Total liabilities	473,769	421,170
Shareholders' equity		
Common stock:		
Authorized: 150,000,000 shares, $.01 per share par value		
Issued: 53,502,676 shares at June 30, 2006 and 52,857,059 shares at December 31, 2005	535	529
Additional paid-in capital	316,409	290,428
Retained earnings	573,060	524,035
Minimum pension liability adjustment	(5,884)	(5,884)
Cumulative translation adjustment	42,320	25,160
Treasury stock at cost: 73,181 shares at June 30, 2006 and 63,318 shares at December 31, 2005	(2,866)	(2,361)
Unearned stock compensation	(10,829)	(8,897)
Total shareholders' equity	912,745	823,010
Total liabilities and shareholders' equity	$ 1,386,514	$ 1,244,180

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	SECOND QUARTER ENDED JUNE 30, 2006	SECOND QUARTER ENDED JUNE 30, 2005	SIX MONTHS ENDED JUNE 30, 2006	SIX MONTHS ENDED JUNE 30, 2005
Net sales	$297,169	$264,949	$564,036	$510,087
Cost of sales	174,156	155,370	330,896	300,687
Gross profit	123,013	109,579	233,140	209,400
Selling, general and administrative expenses	67,400	61,989	130,264	121,715
Operating income	55,613	47,590	102,876	87,685
Other income -- net	255	245	262	337
Interest expense	4,074	3,806	7,028	7,685
Income from continuing operations before income taxes	51,794	44,029	96,110	80,337
Provision for income taxes	17,382	15,420	32,416	28,486
Income from continuing operations	34,412	28,609	63,694	51,851
Income from discontinued operations, net of tax	544	324	1,339	727
Net income	$ 34,956	$ 28,933	$ 65,033	$ 52,578
Basic earnings per common share:				
Continuing operations	$ .65	$ .56	$ 1.21	$ 1.02
Discontinued operations	.01	.01	.02	.01
Net income	$ .66	$ .57	$ 1.23	$ 1.03
Diluted earnings per common share:				
Continuing operations	$ .64	$ .54	$ 1.18	$ .99
Discontinued operations	.01	.01	.03	.01
Net income	$ .65	$ .55	$ 1.21	$ 1.00
Share data:				
Basic weighted average common shares outstanding	53,014	50,963	52,825	50,821
Diluted weighted average common shares outstanding	54,029	52,641	53,952	52,484

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED SHAREHOLDERS' EQUITY
(IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

COMMON STOCK & MINIMUM ADDITIONAL PENSION CUMULATIVE UNEARNED TOTAL PAID-IN RETAINED LIABILITY TRANSLATION TREASURY STOCK SHAREHOLDERS' CAPITAL EARNINGS ADJUSTMENT ADJUSTMENT STOCK COMPENSATION EQUITY -------- --- -------- -- -------- ------ ----- -------- ------------ -- -----------
Balance, December 31, 2005... $290,957 $524,035 $(5,884) $25,160 $(2,361) $(8,897) $823,010 Net income... 65,033 65,033 Other comprehensive income Cumulative translation adjustment 17,160 17,160 -------- Other comprehensive income... 17,160 -------- Comprehensive income......... 82,193 -------- Issuance of 574,757 shares of common stock from exercise of stock options and deferred compensation plans... 22,454 22,454 Issuance of restricted stock... 3,533 (3,533) -- Amortization of restricted stock.... 1,601 1,601 Restricted shares surrendered for tax withholdings .... (505) (505) Cash dividends declared - $.30 per common share outstanding... (16,008) (16,008) ------ -- -------- ---

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-- --------
Balance, June
30, 2006......
$316,944
$573,060
$(5,884)
$42,320
$(2,866)
$(10,829)
$912,745
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See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	SIX MONTHS ENDED JUNE 30, 2006	SIX MONTHS ENDED JUNE 30, 2005
Cash flows from operating activities of continuing operations		
Net income	$ 65,033	$ 52,578
Adjustments to reconcile net income to net cash provided by operating activities:		
Earnings from discontinued operations	(1,339)	(727)
Depreciation and amortization	12,871	13,369
Amortization of intangible assets	1,270	365
Amortization of debt issuance expenses	228	288
Gain on sale of fixed assets	(810)	--
Stock-based compensation expense	5,678	1,532
Deferred income taxes	(20,263)	(1,146)
Excess tax benefit from stock-based compensation	(4,633)	--
Changes in (net of the effect from acquisitions):		
Receivables	(13,065)	(29,418)
Inventories	(775)	(3,480)
Trade accounts payable	7,134	11,147
Accrued expenses	20,099	4,765
Other -- net	(3,196)	2,465
Net cash flows from operating activities of continuing operations	68,232	51,738
Cash flows from investing activities of continuing operations		
Additions to property, plant and equipment	(9,703)	(11,702)
Acquisition of businesses, net of cash acquired	(120,186)	(425)
Proceeds from fixed assets disposals	1,048	29
Other	(800)	--
Net cash flows from investing activities of continuing operations	(129,641)	(12,098)
Cash flows from financing activities of continuing operations		
Borrowings under credit facilities for acquisitions	44,000	425
Net repayments under credit facilities	(12,889)	(34,054)
Net repayments of other long-term debt	--	(647)
Dividends paid	(14,330)	(12,218)
Distributions from discontinued operations	530	1,299
Proceeds from stock option exercises	13,343	8,672
Excess tax benefit from stock-based compensation	4,633	--
Other -- net	(504)	(1,601)
Net cash flows from financing activities of continuing operations	34,783	(38,124)
Cash flows from discontinued operations		
Net cash provided by operating activities of discontinued operations	772	1,460
Net cash used in investing activities of discontinued operations	(321)	(165)
Net cash used in financing activities of discontinued operations	(530)	(1,299)
Net cash flows from discontinued operations	(79)	(4)
Effect of exchange rate changes on cash and cash equivalents	476	--
Net (decrease) increase in cash	(26,229)	1,512
Cash and cash equivalents at beginning of year	77,290	7,274
Cash and cash equivalents at end of period	$ 51,061	$ 8,786
Less-cash, end of period-discontinued operations	9	9
Cash and cash equivalents at end of period-continuing operations	$ 51,052	$ 8,777
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for:		
Interest	$ 6,458	$ 7,452
Income taxes	31,419	17,169
Significant non-cash activities:		
Issuance of restricted stock	$ 3,533	$ 6,669
Debt acquired with acquisition of business	7,120	--

See Notes to Consolidated Financial Statements.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of IDEX Corporation ("IDEX" or the "Company") have been prepared in accordance with the instructions to Form 10-Q under the Securities Exchange Act of 1934, as amended. The statements are unaudited but include all adjustments, consisting only of recurring items, except as noted, which the Company considers necessary for a fair presentation of the information set forth herein. The results of operations for the three and six months ended June 30, 2006 are not necessarily indicative of the results to be expected for the entire year.

The consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.

Stock-Based Compensation

Effective January 1, 2006, IDEX adopted the fair value recognition provisions of Statement of Financial Accounting Standards ("SFAS") No. 123(R), "Share-Based Payment," using the modified prospective transition method and therefore has not restated results for prior periods. Under this transition method, stock-based compensation expense for the three and six months ended June 30, 2006 includes compensation expense for all stock-based compensation awards granted prior to, but not yet vested as of December 31, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Stock-based compensation expense for all stock-based compensation awards granted after December 31, 2005 is based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R). IDEX recognizes these compensation costs on a straight-line basis over the requisite service period of the award, which is generally the option vesting period of four years. Prior to the adoption of SFAS No. 123(R), IDEX recognized stock-based compensation expense in accordance with Accounting Principles Bulletin ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." In March 2005, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 107 regarding the SEC's interpretation of SFAS No. 123(R) and the valuation of share-based payments for public companies. IDEX has applied the provisions of SAB No. 107 in its adoption of SFAS No. 123(R). See Note 10 to the Consolidated Financial Statements for a further discussion on stock-based compensation.

Uncertainty in Income Taxes

In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") 48, "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement No. 109." This interpretation clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." It prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken or expected to be taken on a tax return. This interpretation is effective for fiscal years beginning after December 15, 2006. IDEX will be required to adopt this interpretation in the first quarter of 2007. Management is currently evaluating the requirements of FIN 48 and has not yet determined the impact on the consolidated financial statements.

2. ACQUISITIONS

On January 12, 2006, the Company acquired the assets of Airshore International ("Airshore"), based in British Columbia, Canada. Airshore has annual sales of approximately $5 million and provides stabilization struts for collapsed buildings and vehicles, high and low pressure lifting bags and forcible entry tools for the fire and rescue markets. Airshore operates as part of our Hale business unit within the Fire & Safety/Diversified Products segment. IDEX acquired Airshore for a purchase price of $12.6 million, consisting entirely of cash.

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

On February 28, 2006, the Company acquired JUN-AIR International A/S ("JUN-AIR"), based in Norresundby, Denmark. JUN-AIR has annual sales of approximately $22 million and is a provider of low decibal, ultra quiet vacuum compressors suitable to medical, dental and laboratory applications. JUN-AIR operates as part of our Gast business unit within IDEX's Health & Science Technologies segment. IDEX acquired JUN-AIR for an aggregate purchase price of $22.4 million, consisting of cash consideration of $15.3 million and acquired debt of approximately $7.1 million.

On May 2, 2006, the Company acquired the assets of Eastern Plastics, Inc. ("EPI"), a provider of high-precision integrated fluidics and associated engineered plastics solutions. Based in Bristol, Connecticut, with revenues of approximately $30 million, EPI's products are used in a broad set of end markets including medical diagnostics, analytical instrumentation, and laboratory automation. IDEX acquired EPI for a purchase price of $92.3 million, consisting entirely of cash. EPI is being operated as a stand-alone business as part of the Company's Health & Science Technologies segment.

The purchase price for Airshore, JUN-AIR and EPI, including transaction costs, has been allocated to the assets acquired and liabilities assumed based on estimated fair values at the date of the acquisitions. The purchase price allocation is preliminary and further refinements may be necessary.

The results of operations for these acquisitions have been included within the financial results from the date of the respective acquisitions. The Company does not consider any of the acquisitions, individually or in aggregate, to be material to its results of operations for any of the periods presented.

3. DISCONTINUED OPERATIONS

During the second quarter of 2006, the Company determined that Lubriquip, its lubricant dispensing business operating as part of IDEX's Dispensing Equipment segment, met the criteria to be classified as a discontinued operation. Subsequently, on July 11, 2006, the Company sold Lubriquip to Graco Inc. The assets and liabilities of Lubriquip have been classified as current assets and liabilities held for sale. The financial results of Lubriquip included in discontinued operations were as follows:

	SECOND QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2006	2005	2006	2005
Revenue	$ 7,246	$ 6,809	$15,449	$13,729
Income from discontinued operations before income taxes	871	542	2,128	1,180
Income tax provision	327	218	789	453
Income from discontinued operations	$ 544	$ 324	$ 1,339	$ 727

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

Total assets and liabilities of Lubriquip held for sale at June 30, 2006 and December 31, 2005 were as follows:

	JUNE 30, 2006	DECEMBER 31, 2005
Cash and cash equivalents	$ 9	$ 88
Receivables, net	2,855	2,727
Inventory, net	2,923	2,945
Other current assets	80	85
Property, plant and equipment, net equivalents	2,771	2,822
Intangibles, net assets	471	471
Total assets	$9,109	$9,138
Accounts payable	$2,027	$2,426
Other liabilities	1,438	1,877
Total liabilities	$3,465	$4,303

4. BUSINESS SEGMENTS

Effective in the second quarter of 2006, IDEX changed its reporting segments based on recent organizational and structural changes from three to four reportable segments. The new business structure reflects a more focused market strategy across all businesses. Through this new structure, the Company will be better positioned to address emerging customer needs in industrial fluid and metering technologies, health and science instrumentation and equipment, dispensing, and fire and safety. The addition of a fourth segment reflects our evolving capability and content for applied health and science technologies. Under the new reporting structure, the Fluid & Metering Technologies segment will consist of the following IDEX business units: Liquid Controls, Pulsafeeder, Viking, Warren Rupp and Versa-Matic. The Health & Science Technologies segment will include Gast Manufacturing, Micropump, Rheodyne, Scivex and recently-acquired EPI. The Dispensing Equipment segment will consist of FAST and Fluid Management. The Fire & Safety/Diversified Products segment will include the Company's Hale Products' fire suppression and rescue tools businesses, as well as its BAND-IT engineered clamping business. Historical business segment information has been updated to reflect this change in reporting segments.

Information on IDEX's business segments from continuing operations is presented below, based on the nature of products and services offered. IDEX evaluates performance based on several factors, of which operating income is the primary financial measure. Intersegment sales are accounted for at fair value as if the sales were to third parties.

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	SECOND QUARTER ENDED JUNE 30, 2006	SECOND QUARTER ENDED JUNE 30, 2005	SIX MONTHS ENDED JUNE 30, 2006	SIX MONTHS ENDED JUNE 30, 2005
Net sales				
Fluid & Metering Technologies:				
External customers	$ 107,985	$ 98,322	$ 210,102	$ 191,560
Intersegment sales	452	471	734	704
Total group sales	108,437	98,793	210,836	192,264
Health & Science Technologies:				
External customers	80,218	59,122	142,346	111,045
Intersegment sales	1,081	419	1,974	1,417
Total group sales	81,299	59,541	144,320	112,462
Dispensing Equipment:				
External customers	44,415	46,308	85,822	90,715
Intersegment sales	--	--	1	--
Total group sales	44,415	46,308	85,823	90,715
Fire & Safety/Diversified Products:				
External customers	64,551	61,197	125,766	116,767
Intersegment sales	--	2	1	4
Total group sales	64,551	61,199	125,767	116,771
Intersegment elimination	(1,533)	(892)	(2,710)	(2,125)
Total net sales	$ 297,169	$ 264,949	$ 564,036	$ 510,087
Operating income				
Fluid & Metering Technologies	$ 21,275	$ 18,244	$ 40,519	$ 33,522
Health & Science Technologies	14,513	10,115	26,793	19,117
Dispensing Equipment	11,689	12,870	22,019	23,943
Fire & Safety/Diversified Products	16,266	13,964	29,921	25,502
Corporate office and other	(8,130)	(7,603)	(16,376)	(14,399)
Total operating income	$ 55,613	$ 47,590	$ 102,876	$ 87,685

5. EARNINGS PER COMMON SHARE

Earnings per common share ("EPS") are computed by dividing net income by the weighted average number of shares of common stock (basic) plus common stock equivalents outstanding (diluted) during the period. Common stock equivalents consist of stock options, which have been included in the calculation of weighted average shares outstanding using the treasury stock method, unvested restricted shares, and shares issuable in connection with certain deferred compensation agreements ("DCUs"). Basic weighted average shares reconciles to diluted weighted average shares as follows:

	SECOND QUARTER ENDED JUNE 30, 2006	SECOND QUARTER ENDED JUNE 30, 2005	SIX MONTHS ENDED JUNE 30, 2006	SIX MONTHS ENDED JUNE 30, 2005
Basic weighted average common shares outstanding	53,014	50,963	52,825	50,821

Dilutive effect of stock options, unvested restricted shares, and DCUs	1,015	1,678	1,127	1,663
Diluted weighted average common shares outstanding	54,029	52,641	53,952	52,484

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

Options to purchase approximately .9 million and .6 million shares of common stock as of June 30, 2006 and 2005, respectively, were not included in the computation of diluted EPS because the exercise price was greater than the average market price of the Company's common stock and, therefore, the effect of their inclusion would be antidilutive.

6. INVENTORIES

The components of inventories as of June 30, 2006 and December 31, 2005 were:

	JUNE 30, 2006	DECEMBER 31, 2005
Raw materials	$ 53,074	$ 51,257
Work-in-process	15,755	12,749
Finished goods	69,375	59,625
Total	$138,204	$123,631

Inventories carried on a LIFO basis amounted to $113,045 and $96,638 at June 30, 2006 and December 31, 2005, respectively. The excess of current cost over LIFO inventory value amounted to $1,982 and $1,348 at June 30, 2006 and December 31, 2005 respectively.

7. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the six months ended June 30, 2006, by business group, were as follows:

	FLUID & METERING TECHNOLOGIES	HEALTH & SCIENCE TECHNOLOGIES	DISPENSING EQUIPMENT	FIRE & SAFETY/ DIVERSIFIED PRODUCTS	TOTAL
Balance at December 31, 2005	$177,223	$261,616	$120,517	$132,043	$691,399
Foreign currency translation	783	362	5,535	4,129	10,809
Acquisitions	--	68,813	--	7,723	76,536
Balance at June 30, 2006	$178,006	$330,791	$126,052	$143,895	$778,744

During the second quarter, the Company determined that due to changes in the Company's strategy, certain previously indefinite lived intangible assets should be considered definite lived assets. Therefore, effective at the beginning of the second quarter of 2006 the Company began to amortize these definite lived intangible assets.

The following table provides the gross carrying value and accumulated amortization for each major class of intangible asset as of June 30, 2006 and December 31, 2005:

	AT JUNE 30, 2006			AT DECEMBER 31, 2005	
	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION	AVERAGE LIFE	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION
Amortizable intangible assets:					
Patents	$ 8,886	$ (5,103)	11	$ 8,680	$ (4,744)
Trademarks	26,985	(416)	19	23,982	-
Customer intangibles	20,797	(333)	12	-	-
Non-compete agreements	1,850	(334)	4	400	(228)
Unpatented technology	1,661	(34)	20	-	-
Other	906	(226)	8	571	(46)
Total	$ 61,085	$ (6,446)		$ 33,633	$ (5,018)

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

8. ACCRUED EXPENSES

The components of accrued expenses as of June 30, 2006 and December 31, 2005 were:

	JUNE 30, 2006	DECEMBER 31, 2005
Payroll	$23,667	$23,851
Management incentive compensation	8,773	13,109
Income taxes payable	23,018	7,234
Deferred income taxes	1,142	1,142
Insurance	7,309	6,742
Other	27,546	20,403
Total	$91,455	$72,481

9. PREFERRED STOCK

The Company had five million shares of preferred stock authorized but unissued at June 30, 2006 and December 31, 2005.

10. SHARE-BASED COMPENSATION

As of June 30, 2006, the Company has two stock-based compensation plans for executives, non-employee directors, and certain key employees which authorize the granting of stock options, restricted stock, restricted stock units, and other types of awards consistent with the purpose of the plans. The number of shares authorized for issuance under the Company's plans as of June 30, 2006 totals 2.3 million, of which .9 million shares were available for future issuance. Stock options granted under these plans are generally non-qualified, and are granted with an exercise price equal to the market price of the Company's stock at the date of grant. Substantially all of the options issued to employees prior to 2005 become exercisable in five equal installments, while all options issued to employees in 2005 and after become exercisable in four equal installments, beginning one year from the date of grant, and generally expire 10 years from the date of grant. Stock options granted to non-employee directors cliff vest after one or two years. Restricted stock and restricted stock unit awards generally cliff vest after four years for employees, and two to three years for non-employee directors.

Prior to January 1, 2006, the Company accounted for its stock-based compensation using the intrinsic value method of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. The Company provided pro forma disclosure in accordance with SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," as if the fair value method of SFAS 123 had been applied to stock-based compensation. In accordance with APB Opinion No. 25, no stock-based compensation cost was reflected in the Company's prior year net income for grants of stock options to employees because the Company granted stock options with an exercise price equal to the market value of the stock on the date of grant. The reported stock-based compensation expense, net of related tax effects, in prior periods represents the amortization of restricted stock grants.

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

Had the Company used the fair value based accounting method for stock compensation expense prescribed by SFAS Nos. 123 and 148 for the quarter and six months ended June 30, 2005, the Company's consolidated net income and net income per share would have been reduced to the pro-forma amounts illustrated as follows:

	QUARTER ENDED JUNE 30, 2005	SIX MONTHS ENDED JUNE 30, 2005
Income from continuing operations -- as reported	$ 28,609	$ 51,851
Add: Total stock-based employee compensation included in reported income from continuing operations, net of related tax effects	505	974
Deduct: Total stock-based compensation expense determined under fair-value based method for all awards, net of related tax effects	(2,084)	(4,484)
Income from continuing operations -- pro forma	$ 27,030	$ 48,341
Income from continuing operations per share:		
Basic -- as reported	$ 0.56	$ 1.02
Stock -- based compensation	0.03	0.06
Basic -- pro forma	$ 0.53	$ 0.96
Diluted -- as reported	$ 0.54	$ .99
Stock-based compensation	0.03	0.06
Diluted -- pro forma	$ 0.51	$ 0.93

Effective January 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123(R) using the modified prospective method, and thus did not restate any prior period amounts. Under this method, compensation cost in the three months and six months ending June 30, 2006 include the portion vesting in the period for (1) all share-based payments granted prior to, but not vested as of December 31, 2005, based on the grant date fair value estimated using the Black-Scholes option-pricing model in accordance with the original provisions of SFAS No. 123 and (2) all share-based payments granted subsequent to December 31, 2005, based on the grant date fair value estimated using the Binomial lattice option-pricing model. Weighted average option fair values and assumptions for the period specified are disclosed in the following table:

	QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2006	2005	2006	2005
Weighted average fair value of grants	$15.15	$12.33	$15.05	$12.33
Dividend yield	1.16%	1.50%	1.16%	1.50%
Volatility	30.75%	30.00%	30.75%	30.00%
Risk-free interest rate	4.79% - 5.05%	4.3%	4.78% - 5.04%	4.3%
Expected life (in years)	5.0	5.5	4.9	5.5

The assumptions are as follows:

- The Company estimated volatility using its historical share price performance over the contractual term of the option.
- The Company uses historical data to estimate the expected life of the option. The expected life assumption for the three and six months ended June 30, 2006 is an output of the Binomial lattice option-pricing model, which incorporates vesting provisions, rate of voluntary exercise and rate of post-vesting termination over the contractual life of the option to define expected employee behavior.
- The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the contractual life of the option. For the three and six months ended June 30, 2006, we present the range of risk-free one-year forward rates, derived from the U.S. treasury yield curve, utilized in the Binomial lattice option-pricing model.
- The expected dividend yield is based on the Company's current dividend

yield as the best estimate of projected dividend yield for periods within the contractual life of the option.

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

Results of prior periods do not reflect any restated amounts and the Company had no cumulative effect adjustment upon adoption of SFAS No. 123(R) under the modified prospective method. The Company's policy is to recognize compensation cost on a straight-line basis over the requisite service period for the entire award. Additionally, the Company's general policy is to issue new shares of common stock to satisfy stock option exercises or grants of restricted shares.

The adoption of SFAS No. 123(R) decreased the Company's reported operating income and income before income taxes for the three and six months ending June 30, 2006 by $2.3 million and $4.0 million, respectively, and reported net income by $1.6 million and $2.7 million, respectively. The adoption of SFAS No. 123(R) resulted in a decrease in reported cash flow from operating activities for the three and six months ending June 30, 2006 of $2.1 million and $4.6 million, respectively, offset by an increase in reported cash flow from financing activities of $2.1 million and $4.6 million, respectively. The Company's adoption of SFAS No. 123(R) did not effect operating income, income before income taxes, net income, cash flow from operations, cash flow from financing activities, basic and diluted net income per share in the comparable second quarter and six months ended June 30, 2005.

Total compensation cost for stock-based compensation arrangements recognized in the three and six months ending June 30, 2006, respectively, was $2.3 million and $4.0 million for stock options and $0.9 million and $1.6 million for restricted stock. Compensation cost recognized in general and administrative expenses for the three and six months ending June 30, 2006, respectively, was $2.0 million and $3.5 million for stock options and $0.9 million and $1.5 million for restricted stock. Compensation cost recognized in cost of goods sold for the three and six months ending June 30, 2006, respectively, was $0.3 million and $0.5 million for stock options. Compensation cost recognized in cost of goods sold for six months ending June 30, 2006 was $0.1 for restricted stock. Recognition of compensation cost was consistent with recognition of cash compensation for the same employees. The total income tax benefit recognized in the income statement for the three and six months ending June 30, 2006 for stock-based compensation arrangements was $0.7 million and $1.3 million, respectively.

As of June 30, 2006, there was $17.0 million of total unrecognized compensation cost related to stock options that is expected to be recognized over a weighted-average period of 1.6 years.

A summary of the Company's stock option activity as of June 30, 2006, and changes during the six months ended June 30, 2006 is presented in the following table:

FIXED OPTIONS	SHARES	WEIGHTED AVERAGE PRICE	WEIGHTED-AVERAGE REMAINING CONTRACTUAL TERM	AGGREGATE INTRINSIC VALUE
Outstanding at January 1, 2006	4,197,150	$26.57		
Granted	541,365	51.14		
Exercised	(562,887)	22.98		
Forfeited/Expired	(345,911)	27.02		
Outstanding at June 30, 2006	3,829,717	$30.48	7.41	$64,015,675
Exercisable at June 30, 2006	1,606,904	$23.93	6.24	$37,398,016

The intrinsic value for stock options outstanding and exercisable is defined as the difference between the market value of the Company's common stock as of the end of the period and the grant price. The total intrinsic value of options exercised during the six months ending June 30, 2006 was $14.9 million. During the six months ending June 30, 2006, cash received from options exercised was $13.3 million and the actual tax benefit realized for the tax deductions from stock options exercised totaled $5.4 million.

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

A summary of the Company's restricted stock activity as of June 30, 2006, and changes during the six months ending June 30, 2006 is presented in the following table:

RESTRICTED STOCK	SHARES	WEIGHTED-AVERAGE GRANT DATE FAIR VALUE
Nonvested at January 1, 2006	296,530	$35.93
Granted	69,310	50.97
Vested	(25,000)	40.33
Forfeited	(5,450)	40.33
Nonvested at June 30, 2006	335,390	$38.94

Generally, restricted stock grants accrue dividends and their fair value is equal to the market price of the Company's stock at the date of the grant. As of June 30, 2006, there was $10.8 million of total unrecognized compensation cost related to restricted stock that is expected to be recognized over a weighted-average period of 1.6 years.

11. RETIREMENT BENEFITS

The Company sponsors several qualified and nonqualified defined benefit and defined contribution pension plans and other postretirement plans for its employees. The following tables provide the components of net periodic benefit cost for its major defined benefit plans and its other postretirement plans.

	PENSION BENEFITS			
	SECOND QUARTER ENDED JUNE 30,			
	2006		2005	
	U.S.	NON-U.S.	U.S.	NON-U.S.
Service cost	$ 789	$ 165	$ 920	$ 166
Interest cost	1,032	288	858	382
Expected return on plan assets ..	(1,208)	(183)	(1,055)	(174)
Net amortization	742	130	548	81
Net periodic benefit cost ...	$ 1,355	$ 400	$ 1,271	$ 455

	PENSION BENEFITS			
	SIX MONTHS ENDED JUNE 30,			
	2006		2005	
	U.S.	NON-U.S.	U.S.	NON-U.S.
Service cost....................	$ 1,533	$ $327	$ 2,132	$ 319
Interest cost	1,977	570	2,092	680
Expected return on plan assets..	(2,417)	(365)	(2,668)	(347)
Net amortization..............	1,367	256	1,301	146
Net periodic benefit cost..	$ 2,460	$ 788	$ 2,857	$ 798

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	OTHER BENEFITS			
	SECOND QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2006	2005	2006	2005
Service cost	$ 128	$ 121	$ 237	$ 241
Interest cost	372	318	692	634
Net amortization	66	19	123	39
Net periodic benefit cost	$ 566	$ 458	$1,052	$ 914

The Company previously disclosed in its financial statements for the year ended December 31, 2005, that it expected to contribute approximately $6.0 million to these pension plans and $1.0 million to its other postretirement benefit plans in 2006. As of June 30, 2006, $5.0 million of contributions have been made to the pension plans and $.6 million has been made to its other postretirement benefit plans. The Company presently anticipates contributing up to an additional $1.4 million in 2006 to fund the pension plans and other postretirement benefit plans.

12. LEGAL PROCEEDINGS

IDEX is a party to various legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on its business, financial condition, results of operations or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

The "Historical Overview and Outlook" and the "Liquidity and Capital Resources" sections of this management's discussion and analysis of our financial condition and operations contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. These statements may relate to, among other things, capital expenditures, cost reductions, cash flow, and operating improvements and are indicated by words or phrases such as "anticipate," "estimate," "plans," "expects," "projects," "should," "will," "management believes," "the company believes," "we believe," "the company intends" and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this filing. The risks and uncertainties include, but are not limited to, the following: economic and political consequences resulting from terrorist attacks and wars; levels of industrial activity and economic conditions in the U.S. and other countries around the world; pricing pressures and other competitive factors, and levels of capital spending in certain industries - all of which could have a material impact on our order rates and results, particularly in light of the low levels of order backlogs we typically maintain; our ability to make acquisitions and to integrate and operate acquired businesses on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; political and economic conditions in foreign countries in which we operate; interest rates; capacity utilization and the effect this has on costs; labor markets; market conditions and material costs; and developments with respect to contingencies, such as litigation and environmental matters. The forward-looking statements included here are only made as of the date of this report, and we undertake no obligation to publicly update them to reflect subsequent events or circumstances. Investors are cautioned not to rely unduly on forward-looking statements when evaluating the information presented here.

HISTORICAL OVERVIEW AND OUTLOOK

IDEX Corporation ("IDEX") or the ("Company") is an applied solutions company specializing in fluid and metering technologies, health and science technologies, dispensing equipment, and fire, safety and other diversified products built to its customers' exacting specifications. Its products are sold in niche markets to a wide range of industries throughout the world. Accordingly, our businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where we do business and by the relationship of the U.S. dollar to other currencies. Levels of capacity utilization and capital spending in certain industries and overall industrial activity are among the factors that influence the demand for our products.

Effective in the second quarter of 2006, IDEX changed its reporting segments based on recent organizational and structural changes from three to four reportable segments. The new business structure reflects a more focused market strategy across all businesses. The Company's reporting segments are now: Fluid & Metering Technologies, Health & Science Technologies, Dispensing Equipment and Fire & Safety/Diversified Products. Historical business segment information has been updated to reflect this change in reporting segments.

The Fluid & Metering Technologies Group produces pumps, compressors, flow meters, and related controls for the movement of liquids and gases in a diverse range of end markets from industrial infrastructure to food and beverage. The Health & Science Technologies Group produces a wide variety of small scale, highly accurate pumps, valves, fittings and medical devices, as well as compressors used in medical, dental and industrial applications. The Dispensing Equipment Group produces highly engineered equipment for dispensing, metering and mixing colorants, paints, inks and dyes, hair colorants and other personal care products, as well as refinishing equipment. The Fire & Safety/Diversified Products Group produces firefighting pumps, rescue tools, lifting bags and other components and systems for the fire and rescue industry; and engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications.

IDEX has a history of achieving above-average operating margins. Our operating margins have exceeded the average operating margin for the companies that comprise the Value Line Composite Index (VLCI) every year since 1988. We view the VLCI operating performance statistics as a proxy for an average industrial company. Our operating margins are influenced by, among other things, utilization of facilities as sales volumes change and inclusion of newly acquired businesses.

Some of our key 2006 financial highlights for the six months ended June 30, 2006 were as follows:

- Orders were $585.1 million, 12% higher than a year ago; base business orders -- excluding acquisitions and foreign currency translation -- were up 10%.
- Sales of $564.0 million rose 11%; base business sales -- excluding acquisitions and foreign currency translation -- were up 9%.
- Gross margins improved 20 basis points to 41.3% of sales, while operating margins at 18.2% were 100 basis points higher than a year ago.
- Income from continuing operations increased 23% to $63.7 million.
- Diluted EPS from continuing operations of $1.18 was 19 cents ahead of the same period 2005.
- Net income increased 24% to $65.0 million.
- Diluted EPS of $1.21 was 21 cents ahead of the same period of 2005.

Our business units continue to deliver profitable sales growth as a result of new technology initiatives and market initiatives and our on-going commitment to operational excellence. During the first six months of the year, organic sales growth was 9 percent, reflecting particular strength in Health & Science Technologies at 17 percent, Fluid & Metering Technologies at 10 percent and Fire & Safety/ Diversified Products at 9 percent. Within Dispensing Equipment, we continue to experience strong demand in North America and less-than-favorable market conditions in Europe. As we move forward, our businesses are well positioned in attractive product segments driven by strong underlying industry segment fundamentals and, even more importantly, our ability to effectively serve expanding niche applications. We are focused on the voice of our customer, while using the powerful combination of continuous process improvement and new product innovation to drive our future performance.

The following forward-looking statements are qualified by the cautionary statement under the Private Securities Litigation Reform Act set forth above.

As a short-cycle business, our performance is reliant upon the current pace of incoming orders, and we have limited visibility on future business conditions. We believe IDEX is well positioned for earnings expansion. This is based on our lower cost structure resulting from our operational excellence discipline, our investment in new products, applications and global markets, and our pursuit of strategic acquisitions to help drive IDEX's longer term profitable growth.

RESULTS OF OPERATIONS

For purposes of this discussion and analysis section, reference is made to the table on the following page and the Company's Consolidated Statements of Operations included in Item 1. During the second quarter, the Company determined that Lubriquip, its lubricant dispensing business, met the criteria to be classified as a discontinued operation. The financial statements and the group financial information have been reclassified to reflect Lubriquip as a discontinued operation.

Performance in the Three Months Ended June 30, 2006 Compared with the Same Period of 2005

For the three months ended June 30, 2006, orders, sales and profits were higher than the comparable three months of last year. New orders totaled $290.5 million, 10% higher than the same period last year. Excluding the impact of foreign currency translation and the three acquisitions made since the beginning of 2006 (Airshore- January 2006; JUN-AIR - February 2006 and EPI - May 2006), base business orders were 5% higher than the same period one year ago.

Sales in the three months ended June 30, 2006 were $297.2 million, a 12% improvement from the comparable period last year. Base business shipments grew 7% while acquisitions accounted for a 5% increase. Sales to international customers from base businesses represented approximately 46% of total sales in the current period, compared with 45% in the year-ago quarter.

During the quarter, Fluid & Metering Technologies contributed 36% of sales and 33% of operating income; Health & Science Technologies accounted for 27% of sales and 23% of operating income; Dispensing Equipment accounted for 15% of sales and 18% of operating income; and Fire & Safety/Diversified Products represented 22% of sales and 26% of operating income.

Fluid & Metering Technologies Group sales of $108.4 million for the three months ended June 30, 2006 rose $9.6 million, or 10% compared with 2005, reflecting 9% base business growth and a 1% favorable impact from foreign currency translation. In the second quarter of 2006, base business sales grew approximately 9% domestically and 12% internationally. Base business sales to customers outside the U.S. were approximately 43% of total group sales during the second quarter of 2006 compared with 42% in the comparable quarter of 2005.

Health & Science Technologies Group sales of $81.3 million increased $21.8 million, or 37%, in the second quarter of 2006 compared with last year's second quarter. This increase was attributed to the JUN-AIR and EPI acquisitions which contributed 23% to the increase and an increase in base business volume of 14%. In the second quarter of 2006, base business sales increased 7% domestically and 36% internationally. Base business sales to customers outside the U.S. were approximately 36% of total group sales in the second quarter of 2006, compared with 31% in the comparable quarter of 2005.

Dispensing Equipment Group sales of $44.4 million decreased $1.9 million, or 4%, in the second quarter of 2006 compared with 2005. This decrease reflects a 4% decrease in base business volume. In the second quarter of 2006, base business sales increased 10% domestically, but decreased 7% internationally. Base business sales to customers outside the U.S. were approximately 66% of total group sales in the second quarter of 2006, compared with 70% in the comparable quarter of 2005.

Fire & Safety/Diversified Products Group sales of $64.6 million increased $3.4 million, or 5%, in the second quarter of 2006 compared with 2005. This increase reflects a 5% increase in base business volume. In the second quarter of 2006, base business sales increased 8% domestically and 2% internationally. Base business sales to customers outside the U.S. were approximately 45% of total group sales in the second quarter of 2006, compared with 46% in the comparable quarter of 2005.

	SECOND QUARTER ENDED JUNE 30, 2006 (1)	2005	SIX MONTHS ENDED JUNE 30, 2006 (1)	2005
Fluid & Metering Technologies				
Net sales	$108,437	$ 98,793	$210,836	$192,264
Operating income (2)	21,275	18,244	40,519	33,522
Operating margin	19.6%	18.5%	19.2%	17.4%
Depreciation and amortization	$ 2,530	$ 2,551	$ 4,786	$ 5,163
Capital expenditures	1,103	2,542	2,235	5,046
Health & Science Technologies				
Net sales	$ 81,299	$ 59,541	$144,320	$112,462
Operating income (2)	14,513	10,115	26,793	19,117
Operating margin	17.9%	17.0%	18.6%	17.0%
Depreciation and amortization	$ 2,444	$ 1,513	$ 3,843	$ 3,033
Capital expenditures	1,506	1,571	2,383	2,657
Dispensing Equipment				
Net sales	$ 44,415	$ 46,308	$ 85,823	$ 90,715
Operating income (2)	11,689	12,870	22,019	23,943
Operating margin	26.3%	27.8%	25.7%	26.4%
Depreciation and amortization	$ 1,052	$ 1,088	$ 2,065	$ 2,178
Capital expenditures	531	835	1,190	1,672
Fire & Safety/Diversified Products				
Net sales	$ 64,551	$ 61,199	$125,767	$116,771
Operating income (2)	16,266	13,964	29,921	25,502
Operating margin	25.2%	22.8%	23.8%	21.8%
Depreciation and amortization	$ 1,540	$ 1,489	$ 3,078	$ 3,057
Capital expenditures	1,628	997	2,766	1,790
Company				
Net sales	$297,169	$264,949	$564,036	$510,087
Operating income	55,613	47,590	102,876	87,685
Operating margin	18.7%	18.0%	18.2%	17.2%
Depreciation and amortization (3)	$ 7,825	$ 6,792	$ 14,141	$ 13,734
Capital expenditures	5,688	6,100	9,703	11,702

(1) Second quarter and six month data includes acquisition of JUN-AIR and EPI in the Health & Sciences Technologies Group and Airshore in the Fire & Safety/Diversified Products Group from the dates of acquisition.
(2) Group operating income excludes unallocated corporate operating expenses.
(3) Excludes amortization of debt issuance expenses and unearned stock compensation.

Gross profit of $123.0 million, in the second quarter of 2006, increased $13.4 million, or 12%, from 2005. Gross profit as a percent of sales was 41.4% in both the second quarter of 2006 and 2005. Volume leverage, coupled with the Company's strategic sourcing and other operational excellence initiatives, was offset by product mix and the impact of acquisitions.

Selling, general and administrative (SG&A) expenses increased to $67.4 million in the second quarter of 2006 from $62.0 million in 2005 primarily due to higher volume, the acquisitions of Airshore JUN-AIR and EPI, and the implementation of Statement of Financial Accounting Standard ("SFAS") No. 123(R), "Share-Based Payment". As a percent of sales, SG&A expenses were 22.7%, an improvement from 23.4% in 2005.

Operating income increased $8.0 million, or 17%, to $55.6 in the second quarter of 2006 from $47.6 million in 2005, primarily reflecting higher volumes, partially offset by increased SG&A expenses. Second quarter operating margins were 18.7% of sales, 70 basis points higher than the second quarter of 2005. The improvement from last year resulted from a 70 basis point decrease in SG&A as a percent of sales. In the Fluid & Metering Technologies Group, operating income of $21.3 million and operating margins of 19.6% in the second quarter of 2006 were up from the $18.2 million and 18.5% recorded in 2005 principally due to volume leverage and the impact of our operational excellence initiatives. Operating income for the Health & Science Technologies Group of $14.5 million was up from the $10.1 million recorded in 2005 principally due to volume leverage. Operating margins within Health & Science Technologies Group of 17.9% in the current quarter were up from 17.0% in 2005 primarily due to savings realized from the Company's operational excellence initiatives. Operating income for the Dispensing Equipment Group of $11.7 million was down from the $12.9 million recorded in 2005 mainly due to unfavorable market conditions in Europe. Operating margins within Dispensing Equipment Group of 26.3% in the current quarter were down from 27.8% in 2005 primarily due to volume and product mix. Operating income in the Fire & Safety/Diversified Products Group of $16.3 million and operating margins of 25.2% in the current quarter increased from $14.0 million and 22.8% achieved in 2005 and primarily reflected increased sales volume and the impact of operational excellence initiatives.

Interest expense increased to $4.1 million in the current quarter from $3.8 million in the second quarter of 2005, principally due to higher debt levels.

IDEX's provision for income taxes is based upon estimated annual tax rates for the year applied to federal, state and foreign income. The provision for income taxes increased to $17.4 million in the second quarter of 2006 from $15.4 million in 2005. The effective tax rate decreased to 33.6% in the current quarter from 35.0% in the second quarter of 2005 due to changes in the mix of global pre-tax income among taxing jurisdictions, partially offset by the expiration of the research and development tax credits in 2006.

Income from continuing operations for the current quarter was $34.4 million, 20% higher than the $28.6 million earned in the second quarter of 2005. Diluted earnings per share from continuing operations in the second quarter of 2006 of $.64 increased $.10, or 19%, compared with the second quarter of 2005.

Net income for the current quarter was $35.0 million, 21% higher than the $28.9 million earned in the second quarter of 2005. Diluted earnings per share in the second quarter of 2006 of $.65, which included one cent from discontinued operations, increased $.10, or 18%, compared with the second quarter of 2005.

Performance in the Six Months Ended June 30, 2006 Compared with the Same Period of 2005

Orders, sales and profits were higher for the first six months of 2006 compared with the same period last year. New orders for the first six months of 2006 totaled $585.1 million, 12% higher than last year. Excluding the impact of foreign currency translation and the three acquisitions made since the beginning of 2006 (Airshore, JUN-AIR and EPI), orders were 10% higher than the comparable period of 2005.

Sales in the first six months of the year increased 11% to $564.0 million from $510.1 million a year ago. Base business sales rose 9%, acquisitions accounted for a 3% improvement and foreign currency translation negatively impacted sales by 1%. For the first six months of the year, base business sales to international customers were approximately 45% of total sales for both 2006 and 2005.

For the first six months, Fluid & Metering Technologies contributed 37 percent of sales and 34 percent of operating income; Health & Science Technologies accounted for 26 percent of sales and 23 percent of operating income; Dispensing Equipment accounted for 15 percent of sales and 18 percent of operating income; and Fire & Safety/Diversified Products represented 22 percent of sales and 25 percent of operating income.

Fluid & Metering Technologies Group sales of $210.8 million increased $18.6 million, or 10%, for the six months ended June 30, 2006 compared with 2005. The 10% increase reflects all base business sales as foreign currency translation had little impact. In the first six months of 2006, base business sales grew 10% domestically and 9% internationally. Base business sales to customers outside the U.S. were approximately 42% of total group sales in both the 2006 and 2005 periods.

Health & Science Technologies Group sales of $144.3 million increased $31.9 million, or 28%, for the first six months ended June 30, 2006 compared with 2005. This reflected a 17% increase in base business volume and an 11% increase from the JUN-AIR and EPI acquisitions. In the first six months of 2006, base business sales increased 10% domestically and 33% internationally. Base business sales to customers outside the U.S. were approximately 35% of total group sales in the first six months of 2006, compared with 31% in the comparable period of 2005.

Dispensing Equipment Group sales of $85.8 million decreased $4.9 million, or 5%, in the first six months of 2006 compared with the same period in 2005. The decrease was attributable to a decrease in base business sales of 3% and unfavorable foreign currency translation of 2%. In the first six months of 2006, base business sales increased 8% domestically, but decreased 7% internationally. Base business sales to customers outside the U.S. were approximately 66% of total group sales in the first six months of 2006, compared with 69% in the comparable period of 2005.

Fire & Safety/Diversified Group sales of $125.8 million increased $9.0 million, or 8%, in the first six months of 2006 compared with 2005. This reflected a 9% increase in base business volume and a 1% decrease from foreign currency translation. In the first six months of 2006, base business sales increased 11% domestically and 8% internationally. Base business sales to customers outside the U.S. were approximately 46% of total group sales in both the 2006 and 2005 periods.

Gross profit of $233.1 million in the first six months of 2006 increased $23.7 million, or 11% from 2005. Gross profit as a percent of sales was 41.3% in 2006, an increase from 41.1% in 2005. The improved gross margins primarily reflected the Company's strategic sourcing and other operational excellence initiatives.

SG&A increased to $130.3 million in 2006 from $121.7 million in 2005, and as a percent of sales was 23.1%, an improvement from 23.9% in 2005. The increase in SG&A expenses reflected the acquisitions of Airshore, JUN-AIR and EPI, volume-related expenses and the implementation of SFAS No. 123(R).

Operating income increased by $15.2 million, or 17%, to $102.9 million in the first six months of 2006 from $87.7 million in 2005, primarily reflecting the higher gross margins discussed above, partially offset by increased SG&A expenses. Operating margins for the first six months of 2006 were 18.2% compared with 17.2% in the prior year period. The margin increase from last year was primarily due to volume leverage and the improvement in gross margins discussed above. In the Fluid & Metering Technologies Group, operating income of $40.5 million and operating margins of 19.2% in 2006 were up from the $33.5 million and 17.4% recorded in 2005, principally due to volume leverage and the impact of our operational excellence initiatives. Operating income for the Health & Science Technologies Group of $26.8 million and operating margins of 18.6% were up from the $19.1 million and 17.0% in 2005 principally due to volume leverage and savings realized from the Company's operational excellence initiatives. Operating income for the Dispensing Equipment Group of $22.0 million and operating margins of 25.7% in 2006 were down from the $23.9 million and 26.4% in 2005, mainly due to unfavorable market conditions in Europe. Operating income in the Fire & Safety/Diversified Products Group of $29.9 million and operating margins of 23.8% in 2006 increased from $25.5 million and 21.8% achieved in 2005 and primarily reflected increased sales volume and the impact of operational excellence initiatives.

Interest expense decreased to $7.0 million in the first six months of 2006 from $7.7 million in 2005. This decrease was principally due to lower debt levels.

IDEX's provision for income taxes is based upon estimated annual tax rates for the year applied to federal, state and foreign income. The provision for income taxes increased to $32.4 million in 2006 from $28.5 million in 2005. The effective tax rate decreased to 33.7% in 2006 from 35.4% in 2005 due to changes in the mix of global pre-tax income among taxing jurisdictions, partially offset by the expiration of the research and development tax credits in 2006.

Income from continuing operations for the first six months of 2006 was $63.7 million, 23% higher than the $51.9 million earned in the same period of 2005. Diluted earnings per share from continuing operations in the first six months of 2006 of $1.18 increased $0.19, or 19%, compared with the same period of 2005.

Net income for the first six months of 2006 was $65.0 million, 24% higher than the $52.6 million earned in the same period of 2005. Diluted earnings per share in the first six months of 2006 of $1.21, which included three cents from discontinued operations, increased $0.21, or 21%, compared with the same period last year.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2006, working capital was $178.6 million and our current ratio was 1.9 to 1. Cash flows from operating activities increased $16.5 million, or 32%, to $68.2 million in the first six months of 2006 mainly due to the improved operating results discussed above.

Cash flows provided from operations were more than adequate to fund capital expenditures of $9.7 million and $11.7 million in the first six months of 2006 and 2005, respectively. Capital expenditures were generally for machinery and equipment that improved productivity and tooling to support IDEX's global sourcing initiatives, although a portion was for business system technology and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plants and equipment to meet expected needs for future growth in the intermediate term.

The Company acquired Airshore in January 2006 for cash consideration of $12.6 million, JUN-AIR in February 2006 for cash consideration of $15.3 million and the assumption of approximately $7.1 million in debt and EPI in May 2006 for cash consideration of $92.3 million.

In addition to the $150.0 million of 6.875% Senior Notes due February 15, 2008, the Company also has a $600.0 million domestic multi-currency bank revolving credit facility ("Credit Facility"), which expires December 14, 2009. With $29.0 million of borrowings outstanding under the facility at June 30, 2006, and outstanding letters of credit totaling $5.3 million, the maximum amount available under the Credit Facility was $565.7 million. The Credit Facility contains a covenant that limits total debt outstanding to 3.25 times operating cash flow, as defined in the agreement. Our total debt outstanding was $198.8 million at June 30, 2006, and based on the covenant, total debt outstanding was limited to $755.3 million. Interest is payable quarterly on the outstanding balance at the bank agent's reference rate or, at the Company's election, at LIBOR plus an applicable margin. The applicable margin is based on the credit rating of our Senior Notes, and can range from 27 basis points to 75 basis points. Based on the Company's BBB rating at June 30, 2006, the applicable margin was 55 basis points. We also pay an annual fee of 15 basis points on the total Credit Facility.

We also have a one-year, renewable $30.0 million demand line of credit ("Short-Term Facility"), which expires on December 12, 2006. Borrowings under the Short-Term Facility are at LIBOR plus the applicable margin in effect under the Credit Facility. At June 30, 2006, there were no borrowings outstanding under this facility.

We believe the Company will generate sufficient cash flow from operations for the next 12 months and in the long term to meet its operating requirements, interest on all borrowings, required debt repayments, any authorized share repurchases, planned capital expenditures, and annual dividend payments to holders of common stock. In the event that suitable businesses are available for acquisition upon terms acceptable to the Board of Directors, we may obtain all or a portion of the financing for the acquisitions through the incurrence of additional long-term borrowings.

Our contractual obligations and commercial commitments include rental payments under operating leases, payments under capital leases, and other long-term obligations arising in the ordinary course of business. There are no identifiable events or uncertainties, including the lowering of our credit rating that would accelerate payment or maturity of any of these commitments or obligations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is subject to market risk associated with changes in interest rates and foreign currency exchange rates. Interest rate exposure is limited to the $198.8 million of total debt outstanding at June 30, 2006. Approximately 25% of the debt is priced at interest rates that float with the market. A 50-basis point movement in the interest rate on the floating rate debt would result in an approximate $0.2 million annualized increase or decrease in interest expense and cash flows. The remaining debt is fixed rate debt. We will, from time to time, enter into interest rate swaps on our debt when we believe there is a financial advantage for doing so. A treasury risk management policy, adopted by the Board of Directors, describes the procedures and controls over derivative financial and commodity instruments, including interest rate swaps. Under the policy, we do not use derivative financial or commodity instruments for trading purposes, and the use of these instruments is subject to strict approvals by senior officers. Typically, the use of derivative instruments is limited to interest rate swaps on the Company's outstanding long-term debt. As of June 30, 2006, the Company did not have any derivative instruments outstanding.

Our foreign currency exchange rate risk is limited principally to the euro and British pound. We manage our foreign exchange risk principally through invoicing our customers in the same currency as the source of our products. As a result, the Company's exposure to any movement in foreign currency exchange rates is immaterial to the Consolidated Statements of Operations.

ITEM 4. CONTROLS AND PROCEDURES.

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

There has been no change in the Company's internal controls over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

IDEX and five of its subsidiaries have been named as defendants in a number of lawsuits claiming various asbestos-related personal injuries, allegedly as a result of exposure to products manufactured with components that contained asbestos. Such components were acquired from third party suppliers, and were not manufactured by any of the subsidiaries. To date, all of the Company's settlements and legal costs, except for costs of coordination, administration, insurance investigation and a portion of defense costs, have been covered in full by insurance subject to applicable deductibles. However, the Company cannot predict whether and to what extent insurance will be available to continue to cover such settlements and legal costs, or how insurers may respond to claims that are tendered to them.

Claims have been filed in Alabama, California, Connecticut, Delaware, Georgia, Illinois, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Virginia, Washington and Wyoming. Most of the claims resolved to date have been dismissed without payment. The balance have been settled for reasonable amounts. Only one case has been tried, resulting in a verdict for the Company's business unit.

No provision has been made in the financial statements of the Company, other than for insurance deductibles in the ordinary course, and IDEX does not currently believe the asbestos-related claims will have a material adverse effect on the Company's business or financial position.

IDEX is also party to various other legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on its business, financial condition or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (1)
April 1, 2006 to April 30, 2006	-	-	-	2,240,250
May 1, 2006 to May 31, 2006	-	-	-	2,240,250
June 1, 2006 to June 30, 2006	-	-	-	2,240,250

(1) On October 20, 1998, IDEX's Board of Directors authorized the repurchase of up to 2.25 million shares of its common stock, either at market prices or on a negotiated basis as market conditions warrant.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

The Company held its Annual Shareholders' Meeting on Tuesday, April 4, 2006 and voted on two matters. The first matter was the election of two directors to serve a three-year term on the Board of Directors of IDEX Corporation. The following persons received a plurality of votes cast for Class II directors.

Director	For	Withheld	Broker Non-Votes
Michael T. Tokarz	50,793,275	483,466	0
Frank S. Hermance	51,158,944	117,977	0

Secondly, shareholders voted on a proposal to appoint Deloitte & Touche LLP as auditors. The proposal received a majority of the votes cast as follows:

Affirmative votes	50,720,437
Negative votes	554,618
Abstentions	1,686
Broker non-votes	0

ITEM 5. OTHER INFORMATION.

There has been no material change to the procedures by which security holders may recommend nominees to the Company's board.

ITEM 6. EXHIBITS.

The exhibits listed in the accompanying "Exhibit Index" are filed as part of this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IDEX CORPORATION

August 8, 2006

/s/ Dominic A. Romeo

Dominic A. Romeo
Vice President and Chief Financial Officer
(duly authorized principal financial officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
3.1	Restated Certificate of Incorporation of IDEX Corporation (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on April 21, 1988)
3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX Corporation (formerly HI, Inc.), (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)
3.1(b)	Amendment to Restated Certificate of Incorporation of IDEX Corporation (incorporated by reference to Exhibit No. 3.1 (b) to the Current Report of IDEX on Form 8-K dated March 24, 2005, Commission File No. 1-10235)
3.2	Amended and Restated By-Laws of IDEX Corporation (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX, 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 Corporation (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, et al., Registration No. 33-21205, as filed on February 12, 1990)
4.1	Restated Certificate of Incorporation and By-Laws of IDEX Corporation (filed as Exhibits No. 3.1 through 3.2 (a))
4.2	Indenture, dated as of February 23, 1998, between IDEX Corporation, and Norwest Bank Minnesota, National Association, as Trustee, relating to the 6-7/8% Senior Notes of IDEX Corporation due February 15, 2008 (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX on Form 8-K dated February 23, 1998, Commission File No. 1-10235)
4.3	Specimen Senior Note of IDEX Corporation (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX on Form 8-K dated February 23, 1998, Commission File No. 1-10235)
4.4	Specimen Certificate of Common Stock of IDEX Corporation (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-2 of IDEX, et al., Registration No. 33-42208, as filed on September 16, 1991)
4.5	Credit Agreement, dated as of December 14, 2004, among IDEX Corporation, Bank of America N.A. as Agent and Issuing Bank, and the Other Financial Institutions Party Hereto (incorporated by reference to Exhibit No. 4.5 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2004, Commission File No. 1-10235)
4.6	Credit Lyonnais Uncommitted Line of Credit, dated as of December 3, 2001 (incorporated by reference to Exhibit 4.6 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2001, Commission File No. 1-10235)
4.6(a)	Amendment No. 6 dated as of December 14, 2005 to the Credit Lyonnais Uncommitted Line of Credit Agreement dated December 3, 2001
*31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a)
*31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a)
*32.1	Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code
*32.2	Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

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* Filed herewith

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lawrence D. Kingsley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IDEX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2006

/s/ Lawrence D. Kingsley

Lawrence D. Kingsley
Chairman, President
and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dominic A. Romeo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IDEX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2006

/s/ Dominic A. Romeo

Dominic A. Romeo
Vice President and Chief
Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, thE undersigned officer of IDEX Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2006 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 8, 2006

/s/ Lawrence D. Kingsley

Lawrence D. Kingsley
Chairman, President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, thE undersigned officer of IDEX Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2006 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 8, 2006

/s/Dominic A. Romeo

Dominic A. Romeo
Vice President and Chief
Financial Officer