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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

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

FOR THE QUARTER ENDED MARCH 31, 1998

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

IDEX CORPORATION

(Exact name of registrant as specified in its character)

DELAWARE

(State or other jurisdiction of
Incorporation or Organization)630 DUNDEE ROAD, NORTHBROOK, ILLINOIS
(Address of principal Executive Offices)36-3555336
(I.R.S. Employer
Identification No.)
60062
(Zip Code)

Registrant's telephone number, including area code (847) 498-7070

Former name, former address and formal fiscal year, if changes since last
report.

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 ___

Number of shares of common stock of IDEX Corporation ("IDEX" or the
"Company") outstanding as of April 30, 1998: 29,303,275 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)

	MARCH 31, 1998	DECEMBER 31, 1997
	----- (UNAUDITED)	-----
ASSETS		
Current assets		
Cash and cash equivalents.....	\$ 6,757	\$ 11,771
Receivables -- net.....	96,789	80,766
Inventories.....	104,528	84,240
Net current assets of companies held for disposition.....	16,892	16,200
Other current assets.....	7,496	4,290
	-----	-----
Total current assets.....	232,462	197,267
Property, plant and equipment -- net.....	126,935	88,628
Intangible assets -- net.....	364,652	293,803
Net noncurrent assets of companies held for disposition...	12,740	13,089
Other noncurrent assets.....	10,040	6,406
	-----	-----
Total assets.....	\$746,829	\$599,193
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable.....	\$ 40,674	\$ 34,991
Dividends payable.....	3,954	3,949
Accrued expenses.....	37,167	38,861
	-----	-----
Total current liabilities.....	81,795	77,801
Long-term debt.....	374,389	258,417
Other noncurrent liabilities.....	42,640	24,304
	-----	-----
Total liabilities.....	498,824	360,522
	-----	-----
Shareholders' equity		
Common stock, par value \$.01 per share		
Shares authorized: 1998 and 1997 -- 75,000,000		
Shares issued and outstanding: 1998 -- 29,291,850;		
1997 -- 29,249,608.....	293	292
Additional paid-in capital.....	91,205	90,506
Retained earnings.....	157,642	149,403
Minimum pension liability adjustment.....	(756)	(756)
Accumulated translation adjustment.....	(379)	(774)
	-----	-----
Total shareholders' equity.....	248,005	238,671
	-----	-----
Total liabilities and shareholders' equity.....	\$746,829	\$599,193
	=====	=====

See Notes to Consolidated Financial Statements.

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

	FOR THE THREE MONTHS ENDED MARCH 31,	
	1998	1997
	(UNAUDITED)	
Net sales.....	\$159,084	\$131,375
Cost of sales.....	94,687	79,266
Gross profit.....	64,397	52,109
Selling, general and administrative expenses.....	33,425	26,259
Goodwill amortization.....	2,580	1,884
Operating income.....	28,392	23,966
Other income (expense) -- net.....	82	(95)
Income before interest expense and income taxes.....	28,474	23,871
Interest expense.....	6,073	4,830
Income before income taxes.....	22,401	19,041
Provision for income taxes.....	8,512	6,940
Income from continuing operations before extraordinary item.....	13,889	12,101
Income from discontinued operations, net of taxes.....	818	1,294
Extraordinary loss from early extinguishment of debt, net of taxes.....	(2,514)	
Net income.....	\$ 12,193	\$ 13,395
Earnings Per Common Share -- Basic:		
Continuing operations.....	\$.47	\$.41
Discontinued operations.....	.04	.05
Extraordinary loss from early extinguishment of debt.....	(.09)	
Net income.....	\$.42	\$.46
Earnings Per Common Share -- Diluted:		
Continuing operations.....	\$.46	\$.41
Discontinued operations.....	.02	.04
Extraordinary loss from early extinguishment of debt.....	(.08)	
Net income.....	\$.40	\$.45
Share Data:		
Weighted average common shares outstanding.....	29,267	29,178
Weighted average common shares outstanding assuming full dilution.....	30,207	29,809

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY

(IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)

	COMMON STOCK & ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	MINIMUM PENSION LIABILITY ADJUSTMENT	ACCUMULATED TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY
	-----	-----	-----	-----	-----
Balance, December 31, 1997.....	\$90,798	\$149,403	\$(756)	\$(774)	\$238,671
	-----	-----	-----	-----	-----
Net income.....		12,193			12,193
Unrealized translation adjustment.....				395	395

Comprehensive income.....					12,588
Issuance of 42,242 shares of common stock from exercise of stock options.....	700				700
Cash dividends declared on common stock (\$.135 per share).....		(3,954)			(3,954)
	-----	-----	-----	-----	-----
Balance, March 31, 1998 (unaudited).....	\$91,498	\$157,642	\$(756)	\$(379)	\$248,005
	=====	=====	=====	=====	=====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS
(IN THOUSANDS)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	1998	1997
	(UNAUDITED)	
Cash Flows from Operating Activities:		
Income from continuing operations.....	\$ 13,889	\$ 12,101
Adjustments to reconcile to net cash provided by continuing operations:		
Depreciation and amortization.....	5,013	3,676
Amortization of intangibles.....	2,950	2,348
Amortization of debt issuance expenses.....	162	162
Deferred income taxes.....	(85)	2,102
(Increase) decrease in receivables.....	(3,423)	208
(Increase) decrease in inventories.....	(1,190)	1,482
Increase in trade accounts payable.....	230	119
Decrease in accrued expenses.....	(7,544)	(6,246)
Other transactions -- net.....	1,114	(4,089)
Net cash provided by continuing operations.....	11,116	11,863
Net cash provided by discontinued operations.....	475	2,311
Net cash flows from operating activities.....	11,591	14,174
Cash Flows from Investing Activities:		
Additions to property, plant and equipment.....	(7,096)	(2,521)
Acquisition of business (net of cash acquired).....	(118,088)	
Net cash flows from investing activities.....	(125,184)	(2,521)
Cash Flows from Financing Activities:		
Borrowings under credit agreements for acquisitions.....	118,088	
Net repayments under the credit agreements.....	(75,088)	(6,959)
Proceeds from issuance of long-term debt.....	150,000	
Repayment of long-term debt.....	(75,000)	
Financing payments.....	(4,375)	
Decrease in accrued interest.....	(1,097)	(1,967)
Dividends paid.....	(3,949)	(3,471)
Net cash flows from financing activities.....	108,579	(12,397)
Net decrease in cash.....	(5,014)	(744)
Cash and cash equivalents at beginning of year.....	11,771	4,730
Cash and cash equivalents at end of year.....	\$ 6,757	\$ 3,986
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for:		
Interest.....	\$ 7,079	\$ 6,816
Income taxes.....	7,018	1,613

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS

IDEX Corporation ("IDEX" or the "Company") designs, manufactures and markets a broad range of pump products and engineered equipment serving a diverse customer base in the United States and internationally. For each of its businesses, the Company believes that it holds the number-one or number-two market share position in that unit's niche market. IDEX believes that its consistent financial performance has been attributable to the manufacture of quality proprietary products designed and engineered by the Company and sold to a wide range of customers, coupled with its ability to identify and successfully integrate strategic acquisitions. IDEX consists of two business segments, the Pump Products Group and the Engineered Equipment Group.

The Pump Products Group designs, manufactures and sells a wide variety of industrial pumps and related controls, and low-horsepower compressors for the movement of liquids, air, and gases. The devices and equipment produced by this Group are used in a large and diverse set of industries, including chemical processing, non-electrical machinery, water and wastewater treatment, medical equipment, petroleum distribution, oil and refining, and food processing.

The Engineered Equipment Group designs, manufactures, and sells proprietary equipment that may combine pumps or other devices into products for industrial, commercial and safety applications. The products and devices manufactured by this Group are used in a variety of industries and applications, including paints and coatings, fire and rescue, transportation equipment, non-electrical machinery, traffic sign and signal, and oil and refining.

2. NEW ACCOUNTING PRONOUNCEMENT

During the first quarter of 1998, the Company adopted Financial Accounting Standards Board ("SFAS") No. 130, "Reporting Comprehensive Income". In accordance with SFAS No. 130, the Company changed its reporting to display comprehensive income and its components in the Company's Statement of Consolidated Shareholders' Equity. Adoption of this statement had no effect on the Company's financial position, results of operations or cash flows.

3. ACQUISITIONS

On January 21, 1998, IDEX completed the acquisition of Gast Manufacturing Corporation for a cash purchase price of \$118.1 million with financing provided by borrowings under the Company's bank credit facilities. Gast, headquartered in Benton Harbor, Michigan, is one of the world's leading manufacturer's of its type of air-moving equipment.

In 1997, the Company acquired Blagdon Pump on April 4 and Knight Equipment on December 9 at an aggregate purchase price of \$49.7 million with financing provided by borrowings under the Company's U.S. bank credit facilities and the issuance of notes to the sellers. Blagdon Pump manufactures air-operated diaphragm pumps, is located in Washington, Tyne & Wear, England and is operated as part of Warren Rupp. Knight is based in Costa Mesa, California, is the leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing, and chemical metering, and is operated as part of Pulsafeeder.

IDEX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

All of these acquisitions, which were additions to the Pump Products Group, were accounted for as purchases, and operating results include the acquisitions from the dates of purchase. The excess of the acquisition purchase price over the fair market value of net assets acquired is being amortized on a straight-line basis over periods not exceeding 40 years. The unaudited proforma consolidated results of operations for the three months ended March 31, 1998 and 1997, reflecting the allocation of the purchase price and the related financing of the transactions are as follows, assuming that these acquisitions had occurred at the beginning of each of the respective periods (in thousands except per share).

	1998	1997
	-----	-----
	(UNAUDITED)	
Net sales.....	\$165,278	\$162,378
Income from continuing operations before extraordinary item.....	13,787	12,372
Net income.....	12,091	13,666
Basic EPS		
Continuing operations.....	.47	.42
Net income.....	.41	.47
Diluted EPS		
Continuing operations.....	.46	.42
Net income.....	.40	.46

4. DISCONTINUED OPERATIONS

In December 1997, IDEX announced its intention to divest its Strippit and Vibratex businesses. During the fourth quarter of 1997, it also realigned the remaining business units into two groups: the Pump Products and Engineered Equipment Groups. The financial statements and the group financial information have been reclassified to reflect Strippit and Vibratex as discontinued operations and IDEX's revised group reporting structure. The revenues from the discontinued operations amounted to \$19.9 million and \$20.5 million in the first quarter of 1998 and 1997, respectively. Interest expense of \$0.1 million and \$0.2 million for the first quarter of 1998 and 1997, respectively, has been allocated to these operations based on their acquisition debt less repayments generated from subsequent operating cash flows that can be specifically attributed to these operations.

5. EXTRAORDINARY ITEM

During the first quarter of 1998, the Company retired, at a premium, its 9 3/4% \$75 million Senior Subordinated Notes due in 2002. The transaction resulted in an extraordinary charge of \$2.5 million, net of an income tax benefit of \$1.5 million.

6. 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 (diluted) outstanding during the year. Common stock equivalents consist of stock options and have been included in the calculation of weighted

IDEX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

average shares outstanding using the treasury stock method. The basic weighted average shares reconciles to fully diluted weighted average shares as follows (in thousands):

	FOR THE THREE MONTHS ENDED MARCH 31,	
	1998	1997
	(UNAUDITED)	
Basic weighted average common shares outstanding.....	29,267	29,178
Dilutive effect of stock options.....	940	631
	-----	-----
Weighted average common shares outstanding assuming full dilution.....	30,207	29,809
	=====	=====

7. INVENTORIES

The components of inventories as of March 31, 1998 and December 31, 1997 were (in thousands):

	MARCH 31, 1998	DECEMBER 31, 1997
	-----	-----
	(UNAUDITED)	
Raw materials and supplies.....	\$ 27,564	\$20,841
Work in process.....	14,028	13,647
Finished goods.....	62,936	49,752
	-----	-----
Total.....	\$104,528	\$84,240
	=====	=====

Those inventories which were carried on a LIFO basis amounted to \$83,714 and \$65,080 at March 31, 1998 and December 31, 1997, respectively. The excess of current cost over LIFO inventory value and the impact on earnings of using the LIFO method are not material.

8. COMMON AND PREFERRED STOCK

The Company had five million shares of preferred stock authorized but unissued at March 31, 1998 and December 31, 1997.

9. RECLASSIFICATIONS

Certain 1997 amounts have been reclassified to conform with the 1998 presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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

Historical Overview and Outlook

IDEX sells a broad range of proprietary pump products and engineered equipment to a diverse customer base in the United States and internationally. Accordingly, IDEX's businesses are affected by levels of industrial activity and economic conditions in the United States and 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, and overall industrial activity.

IDEX has a history of above-average operating margins. The Company's operating margins are affected by, among other things, utilization of facilities as sales volumes change and inclusion of newly acquired businesses which may have lower margins that usually are further reduced by purchase accounting adjustments.

IDEX's orders and sales as well as income and diluted earnings per share from continuing operations in the first quarter of 1998 were the highest of any first quarter in its history. The business pace has been steady at a high level. Incoming orders in the first quarter were \$168 million and exceeded shipments by \$9 million. IDEX continues to run with relatively low backlogs of approximately 1 to 1 1/2 months' sales, which improves the Company's ability to respond quickly to customer needs, but also means that changes in orders are felt relatively 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 1997 in the U.S. economy and many other economies in which IDEX sells its products continued during the first quarter of 1998. With a steady incoming order pace, strong market positions, a continuous flow of new and redesigned products, recent acquisitions, and increasing opportunities for expansion worldwide, management believes the outlook for IDEX remains positive. Based on current activity levels and barring unforeseen circumstances, IDEX expects that orders, net sales, income from continuing operations, net income and earnings per share in 1998 will exceed 1997 levels. By stressing new product development; market share growth; international expansion; operating improvements, particularly in newly acquired businesses; and by adhering to its disciplined approach to acquisitions, management believes IDEX is well positioned to continue profitable growth. The Company is addressing compliance with the year 2000 information processing issue and does not anticipate any significant expense or interruption to its operations.

Cautionary Statement Under the Private Securities Litigation Reform Act

The preceding paragraph and the "Liquidity and Capital Resources" section of this management's discussion and analysis of IDEX's operations contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements relate to, among other things, capital expenditures, cost reduction, and cash flow and operating improvements, and are indicated by words such as "anticipates", "estimates", "expects", "plans", "should", "will", "management believes", "the Company intends", and similar words or phrases. Such statements are subject to inherent uncertainties and risks which could cause actual results to vary materially from suggested results, including but not limited to the following: levels of industrial activity and economic conditions in the United States 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 order rates and the Company's results, particularly in light of the low levels of order backlogs typically maintained by the Company; IDEX's ability to integrate and operate acquired businesses, including Gast and Knight, on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; interest rates; utilization of IDEX's capacity and the effect of capacity utilization on costs; labor market conditions and raw material costs; developments with respect to contingencies, such as environmental matters and litigation; and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

IDEX CORPORATION AND SUBSIDIARIES
COMPANY AND BUSINESS GROUP FINANCIAL INFORMATION
(IN THOUSANDS -- UNAUDITED)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	1998(1)	1997
Pump Products Group		
Net sales(2).....	\$ 94,471	\$ 64,947
Operating income(3).....	20,625	15,452
Operating margin.....	21.8%	23.8%
Depreciation and amortization.....	\$ 4,597	\$ 2,624
Capital expenditures.....	2,236	1,261
Engineered Equipment Group		
Net sales(2).....	\$ 65,365	\$ 66,947
Operating income(3).....	11,103	10,857
Operating margin.....	17.0%	16.2%
Depreciation and amortization.....	\$ 3,301	\$ 3,393
Capital expenditures.....	2,092	1,255
Company		
Net sales.....	\$159,084	\$131,375
Operating income.....	28,392	23,966
Operating margin.....	17.8%	18.2%
Depreciation and amortization(4).....	\$ 7,963	\$ 6,024
Capital expenditures.....	7,096	2,521

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(1) Includes acquisition of Gast Manufacturing (January 21, 1998), Knight Equipment (December 9, 1997) and Blagdon Pump (April 4, 1997) in the Pump Products Group from the dates of purchase.

(2) Group net sales include intersegment sales.

(3) Group operating income excludes net unallocated corporate operating expense.

(4) Excludes amortization of debt issuance expenses.

RESULTS OF OPERATIONS

For purposes of this discussion and analysis section, reference is made to the table on the preceding page and the Company's Statements of Consolidated Operations included in the Financial Statements section. IDEX consists of two business segments: Pump Products Group and Engineered Equipment Group.

PERFORMANCE IN THE THREE MONTHS ENDED MARCH 31, 1998 COMPARED TO 1997

IDEX achieved new highs in orders and sales as well as income and diluted earnings per share from continuing operations in the first quarter of 1998. Recent acquisitions have helped boost results significantly. Net sales for the three months ended March 31, 1998 were \$159.1 million, and increased by 21% over the \$131.4 million reported for the first quarter of 1997. Income from continuing operations before the extraordinary item amounted to \$13.9 million and improved by 15% from the \$12.1 million earned in the comparable quarter of last year. Diluted earnings per share from continuing operations in the first quarter of 1998 were 46 cents compared with 41 cents earned in the same period last year.

New orders from continuing operations totaled a record \$168 million; thus the Company's typically low backlog increased by \$9 million in the quarter. The Pump Products Group outperformed the Engineered Equipment Group in the comparisons with the prior year; however, most of the backlog buildup was in the Engineered Equipment Group. Sales in base businesses were up 2% and currency translation decreased sales by 2%. Accordingly, the Gast Manufacturing, Knight Equipment and Blagdon Pump acquisitions completed within the past 12 months accounted for the Company's sales volume growth. The economic situation in the Far East has not been helpful to some of IDEX's business units that have historically performed well there and a couple of businesses had customers delay shipments into the second quarter while other businesses experienced nice growth this year. The diversity in IDEX's businesses, its markets and its customer base helped maintain financial performance and recent acquisitions provided the Company with significant sales and earnings growth in the first quarter of 1998 compared with the comparable quarter last year.

In the first quarter of 1998, the Pump Products Group accounted for 59% of sales and 65% of operating income, and the Engineered Equipment Group contributed 41% of sales and 35% of operating income. International sales from continuing operations increased 15% over last year and represented 40% of total sales in the first three months of 1998 versus 42% last year. The percentage decline stems from inclusion of Gast Manufacturing, which has a smaller international presence than IDEX's other businesses.

Pump Products Group sales of \$94.5 million increased by \$29.5 million, or 45%, for the three months ended March 31, 1998 compared with the same period in 1997 principally as a result of including the recently acquired Gast Manufacturing, Knight Equipment, and Blagdon Pump businesses. Base business sales volume was up 5% in 1998 while foreign currency translation had a negative effect of 1% on the Group's sales growth. Sales to customers outside the U.S. declined to 32% of total sales in the first quarter of 1998 from 34% in 1997 principally due to the inclusion of Gast Manufacturing in 1998.

Engineered Equipment Group sales of \$65.4 million decreased by \$1.6 million, or 2% in the first quarter of 1998 versus 1997. The decrease in this Group's sales principally reflected foreign currency translation, which had a negative effect of 3% on sales volume. Base business sales in the first quarter of 1998 were up 1% from the prior year with steady demand for this Group's products. Sales to customers outside the U.S. increased to 50% of total Engineered Equipment Group sales in the quarter, up from 49% in the first quarter of 1997.

Gross profit of \$64.4 million in the first quarter of 1998 increased by \$12.3 million, or 24% from 1997. Gross profit as a percent of sales was 40.5% in 1998, up from 39.7% in 1997. The improvement in gross profit margin was due to sales volume growth, a more favorable product mix and efficiency improvements. Selling, general and administrative expenses increased to \$33.4 million in 1998 from \$26.3 million in 1997, and as a percent of sales increased to 21.0% from 20.0% in 1997 reflecting the recently acquired businesses which have slightly higher selling, general and administrative expenses than IDEX's existing businesses. Goodwill amortization increased by 37% to \$2.6 million in 1998 from \$1.9 million in 1997. The year-over-year increases

in gross profit, selling, general and administrative expenses and goodwill amortization are primarily due to inclusion of the recently acquired businesses.

Operating income increased by \$4.4 million, or 18%, to \$28.4 million in the first quarter of 1998 from \$24.0 million in 1997. Operating margin as a percent of sales decreased slightly to 17.8% in 1998 from 18.2% in 1997. In the Pump Products Group, operating income of \$20.6 million and operating margin of 21.8% in 1998 compared to the \$15.5 million and 23.8% in 1997. The operating margin decline resulted from the inclusion of recently acquired businesses, whose operating margins were lower than the other business units in the Group and whose operating income was further reduced by purchase accounting adjustments. The Engineered Equipment Group operating income of \$11.1 million and operating margin of 17.0% in 1998 compared to the \$10.9 million and 16.2% achieved in 1997. The slight improvement in operating margins resulted from changes in cost controls and efficiency improvements in companies acquired in recent years including Hale and Fluid Management.

Interest expense increased to \$6.1 million in the first quarter of 1998 from \$4.8 million in 1997 because of additional borrowings to complete the Gast Manufacturing, Knight Equipment and Blagdon Pump acquisitions.

The provision for income taxes increased to \$8.5 million in 1998 from \$6.9 million in 1997. The effective tax rate increased to 38.0% in 1998 from the 36.4% in 1997 mainly due to the higher non tax deductible goodwill amortization expense resulting from certain recently acquired businesses.

Income from continuing operations of \$13.9 million in 1998 was 15% higher than income of \$12.1 million in 1997. Diluted earnings per share from continuing operations amounted to 46 cents per share in 1998, an increase of 5 cents per share or 12% from the 41 cents per share achieved in 1997.

Late in 1997 IDEX announced that it intended to dispose of the Strippit and Vibratex business units because they no longer fit its profile and are not businesses the Company would choose to build upon. Consequently, results of these two businesses, which contributed 2 cents to diluted earnings per share for the first quarter of 1998, are treated as discontinued operations. The sale process is proceeding, and a number of parties have expressed interest in each of the businesses, although no agreement has been reached. It is presently expected that sale of these businesses will be completed around mid-year. Resources formerly allocated to these businesses will be used to develop positions in areas more consistent with the Company's present strategy.

On March 24, 1998, the Company retired, at a premium, its 9 3/4% \$75 million Senior Subordinated Notes due in 2002. The transaction resulted in an extraordinary charge of \$2.5 million, net of an income tax benefit of \$1.5 million.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 1998, IDEX's working capital was \$150.7 million and its current ratio was 2.8 to 1. Cash flow provided from continuing operations in the first quarter of 1998 was \$0.7 million less than 1997 due largely to working capital changes. Cash flow from discontinued operations decreased \$1.8 million to \$0.5 million principally relating to lower operating earnings.

Cash flow provided by operations was more than adequate to fund capital expenditures of \$7.1 million and \$2.5 million in 1998 and 1997, respectively. The majority of capital expenditures were 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 and long term.

The Company acquired Gast Manufacturing Corporation on January 21, 1998 at a cost of approximately \$118 million. The acquisition was accounted for using the purchase method of accounting and was financed through borrowings under the Company's bank credit facilities.

On February 18, 1998, IDEX sold \$150 million of senior notes due February 15, 2008 with a coupon interest rate of 6 7/8%, priced to yield 6.919% to maturity. Proceeds from the offering were used to reduce bank

debt and to redeem the \$75 million principal amount of the Company's 9 3/4% Senior Subordinated Notes due 2002.

At March 31, 1998, the maximum amount available under the U.S. Credit Agreement was \$250 million, of which \$177.4 million was borrowed, including a Netherlands guilder borrowing of NGL 82 million (\$39.4 million) which provides an economic hedge against the net investment in Fluid Management's Netherlands operation. The availability under this facility was reduced to \$235 million on April 3, 1998 and 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 agent bank's reference rate or at LIBOR plus an applicable margin. At March 31, 1998, the applicable margin was 35 basis points. The Company also has a \$10 million demand line of credit available for short-term borrowing requirements, which was increased to \$15 million on April 3, 1998, at the bank reference rate or at an optional rate based on the bank's cost of funds. At March 31, 1998, there was \$2.0 million of borrowing under this short-term line of credit and the interest rate was 6% per annum.

On May 23, 1997, the Company's Lukas German credit agreement was amended improving the interest rate structure and eliminating certain reductions in availability. At March 31, 1998, the maximum amount available under the German Credit Agreement was DM 52.5 million (\$28.4 million), of which DM 52 million (\$28.1 million) was being used. The availability under this agreement declines in stages commencing November 1, 1999, 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 an applicable margin. At March 31, 1998, the applicable margin was 62.5 basis points.

IDEX believes it will generate sufficient cash flow from operations in 1998 to meet its operating requirements, interest and scheduled amortization payments under the U.S. Credit Agreement, short-term demand line of credit, and the German Credit Agreement, interest and principal payments on the 6 7/8% Senior Notes, approximately \$25 million of planned capital expenditures, and approximately \$16 million of annual dividend payments to holders of common stock. From commencement of operations in January 1988 until March 31, 1998, IDEX has borrowed \$578 million under its various credit agreements to complete 13 acquisitions. During this same period IDEX generated, principally from operations, cash flow of \$371 million to reduce its indebtedness. In the event that suitable businesses 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.

PART II. OTHER INFORMATION

- Item 1. Legal Proceedings. None.
- Item 2. Changes in Securities. Not Applicable.
- Item 3. Defaults upon Senior Securities. None.
- Item 4. Submission of Matters to a Vote of Security Holders. The Company held its Annual Shareholders' Meeting on Tuesday, March 24, 1998. At the Annual Meeting, shareholders elected four directors to serve three-year terms on the Board of Directors of IDEX Corporation. The following persons received a majority of the votes cast for Class III.

DIRECTOR	FOR	WITHHELD
-----	-----	-----
Frank J. Hansen.....	26,207,854	114,908
Paul E. Raether.....	26,207,854	114,908
Clifton S. Robbins.....	25,677,173	645,589
Neil A. Springer.....	26,250,007	72,755

Additionally, shareholders voted on the following matters:
 A proposal to appoint Deloitte & Touche LLP as auditors of IDEX Corporation received a majority of votes cast, specifically as stated:

Affirmative Votes	26,260,769
Negative Votes	35,532
Abstentions	26,460
Broker Nonvotes	0

- Items 5. Other Information. None.
- Items 6. Exhibits and Reports on Form 8-K.
- (a) Exhibits The exhibits listed in the accompanying "Exhibit Index" are filed as part of this report.
- (b) Reports on Form 8-K:
- (1) In a report on Form 8-K dated January 21, 1998, and filed with the Securities Exchange Commission on February 5, 1998, the Company reported the purchase of the Common Stock of Gast Manufacturing Corporation for approximately \$118 million.
 - (2) In a report on Form 8-K/A dated January 21, 1998, and filed with the Securities Exchange Commission on February 6, 1998, the Company filed financial statements of Gast Manufacturing and proforma financial statements of IDEX Corporation related to the Company's acquisition of Gast Manufacturing Corporation on January 21, 1998.
 - (3) In a report on Form 8-K dated February 23, 1998, the Company reported the issuance of \$150 million 6 7/8% Senior Notes due February 15, 2008. The notes were issued February 18, 1998 pursuant to the Company's registration statement No. 333-41627.

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 in the capacity and on the date indicated.

IDEX CORPORATION

/s/ WAYNE P. SAYATOVIC

Senior Vice President -- Finance and
Chief Financial Officer
(Duly Authorized and Principal
Financial Officer)

May 12, 1998

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----	PAGE ----
2.1	Agreement and Plan of Merger between IDEX Corporation and Gast Acquisition Corporation, dated January 7, 1998 (Incorporated by reference to Exhibit 2.1 to the Current Report of IDEX on Form 8-K/A dated January 21, 1998 and filed on February 6, 1998, 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 February 23, 1998 between IDEX and Norwest Bank Minnesota, National Association, as Trustee, relating to the 6 7/8% Senior Notes of IDEX due February 15, 2008 (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX Form 8-K dated February 23, 1998, Commission File No. 1-10235).	
4.3	Specimen Senior Note of IDEX (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX Form 8-K dated February 23, 1998, 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 NT&SA, as Agent, and other financial institutions named therein (the "Banks") (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).	
4.5(a)*	First Amendment to the Third Amended and Restated Credit Agreement dated as April 11, 1997.	
4.5(b)*	Second Amendment to the Third Amended and Restated Credit Agreement dated as January 20, 1998.	
4.5(c)*	Third Amendment to the Third Amended and Restated Credit Agreement dated as February 9, 1998.	
4.5(d)*	Fourth Amendment to the Third Amended and Restated Credit Agreement dated as April 3, 1998.	
4.6	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*	First Amended and Restated 1996 Stock Plan for Officers of IDEX Corporation dated as March 10, 1998.	
27*	Financial Data Schedule	

- - - - -

* Filed herewith

** Management contract or compensatory plan or arrangement

FIRST AMENDMENT TO
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT (this "Amendment") is entered into as of April __, 1997, among IDEX Corporation, a Delaware corporation (the "Company"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks.

BACKGROUND

WHEREAS, the Company, the Banks and the Agent have entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as the same may be further amended or modified from time to time, the "Credit Agreement") and the Loan Documents referred to in the Credit Agreement;

WHEREAS, the Company, the Banks and the Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Certain Amendments to Credit Agreement. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with Section 4 hereof, as follows:

2.1 Section 1.01 of the Credit Agreement is hereby amended by adding the following definitions in their proper alphabetical order:

"Domestic EBITDA" means EBITDA less Foreign EBITDA and less any other portion of EBITDA derived by the Company or its Subsidiaries from any assets located outside the United States.

"Foreign EBITDA" means, for any period, for the Foreign Subsidiaries and their Subsidiaries on a consolidated basis (as if one corporation), determined in accordance with GAAP, the sum of (a) Consolidated Net Income of such Persons for such period plus (b) all amounts treated as expenses for interest to the extent included in the determination of such Consolidated Net Income plus (c) all accrued taxes on or measured by income to the extent included in the determination of such Consolidated Net Income plus (d) all amounts treated as expenses for depreciation or the amortization of intangibles of any kind to the extent included in the determination of Consolidated Net Income.

2.2 Section 8.04(n), clause 3 of the Credit Agreement is hereby deleted in its entirety and amended to read as follows:

"(3) if the Person to be acquired would be a Material Subsidiary of the Company upon completion of the Acquisition or if the assets to be acquired have a net book value in excess of 5% of the consolidated total assets of the Company, based upon the Company's most recent annual or quarterly financial statements delivered to the Agent under Section 7.01, then not less than 10 days prior to the consummation of such Acquisition, the Company shall provide to the Agent annual financial statements (audited, if available) and unaudited interim financial statements for such Person, pro forma financial projections for such Person and for the Company on a consolidated basis giving effect to such Acquisition, all in such detail as shall be reasonably satisfactory to the Agent,"

2.3 Section 8.15 of the Credit Agreement is hereby deleted in its entirety and amended to read as follows:

"8.15 Foreign Operations. The Company shall generate Domestic EBITDA equal to or in excess of \$75,000,000 and maintain total assets in the United States equal to or in excess of \$300,000,000.

3. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction of the following conditions:

3.1 Executed Amendment. Receipt by the Agent of duly executed counterparts of this Amendment from the Company and the Banks; and

3.2 Miscellaneous. Receipt by the Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

4. Certain Representations and Warranties by the Company. In order to induce the Banks and the Agent to enter into this Amendment, the Company represents and warrants to the Banks and the Agent that:

4.1 Authority. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

4.2 Validity. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in

equity or at law or otherwise).

4.3 No Conflicts. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

4.4 Approvals. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

4.5 Incorporated Representations and Warranties. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

4.6 No Defaults. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

5. Miscellaneous. The parties hereto hereby further agree as follows:

5.1 Further Assurances. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

5.2 Counterparts. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

5.3 Headings. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

5.4 Integration. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

5.5 Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

5.6 Binding Effect. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Agent and all of the Banks. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

5.7 Amendment; Waiver; Reaffirmation of Loan Documents. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Bank or the Agent in exercising any of their respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

5.8 Reference to and Effect on the Credit Agreement and the other Loan Documents. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

[signature page follows]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

IDEX CORPORATION

By:_____

Title:_____

BANK OF AMERICA ILLINOIS, AS AGENT

By:_____

Title:_____

BANK OF AMERICA ILLINOIS, AS A BANK

By:_____

Title:_____

BANK OF SCOTLAND

By:_____

Title:_____

NATIONAL CITY BANK

By:_____

Title:_____

PNC BANK, NATIONAL ASSOCIATION

By:_____

Title:_____

UNION BANK OF CALIFORNIA, N.A.,
(SUCCESSOR IN INTEREST TO UNION BANK)

By:_____

Title:_____

UNITED STATES NATIONAL BANK
OF OREGON

By:_____

Title:_____

THE HARRIS TRUST AND SAVINGS
BANK CO.

By:_____

Title:_____

SECOND AMENDMENT TO
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This SECOND AMENDMENT (this "Amendment") is entered into as of January 20, 1998, among IDEX Corporation, a Delaware corporation (the "Company"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "Banks"; individually, a "Bank"), and Bank of America National Trust and Savings Association, as successor by merger to Bank of America Illinois, as agent for the Banks.

BACKGROUND

WHEREAS, the Company, the Banks and the Agent have entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as the same may be further amended or modified from time to time, the "Credit Agreement") and the Loan Documents referred to in the Credit Agreement;

WHEREAS, the Company, the Banks and the Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Certain Amendments to Credit Agreement. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with Section 4 hereof, as follows:

2.1 Section 8.05 of the Credit Agreement is hereby amended by adding the following after subsection (h):

"(i) Unsecured Indebtedness of the Company pursuant to its ten year senior unsecured notes due 2008 in an aggregate principal amount not to exceed \$150,000,000."

3. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction of the following conditions:

3.1 Executed Amendment. Receipt by the Agent of duly executed counterparts of this Amendment from the Company and the Banks; and

3.2 Miscellaneous. Receipt by the Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

4. Certain Representations and Warranties by the Company. In order to induce the Banks and the Agent to enter into this Amendment, the Company represents and warrants to the

Banks and the Agent that:

4.1 Authority. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

4.2 Validity. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law or otherwise).

4.3 No Conflicts. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

4.4 Approvals. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

4.5 Incorporated Representations and Warranties. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

4.6 No Defaults. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

5. Miscellaneous. The parties hereto hereby further agree as follows:

5.1 Further Assurances. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

5.2 Counterparts. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which

counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

5.3 Headings. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

5.4 Integration. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

5.5 Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

5.6 Binding Effect. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Agent and all of the Banks. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

5.7 Amendment; Waiver; Reaffirmation of Loan Documents. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Bank or the Agent in exercising any of their respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

5.8 Reference to and Effect on the Credit Agreement and the other Loan Documents. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

[signature page follows]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

IDEX CORPORATION

By:_____

Title:_____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, AS AGENT

By:_____

Title:_____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, AS A BANK

By:_____

Title:_____

BANK OF SCOTLAND

By:_____

Title:_____

NATIONAL CITY BANK

By:_____

Title:_____

PNC BANK, NATIONAL ASSOCIATION

By:_____

Title:_____

UNION BANK OF CALIFORNIA, N.A.,
(SUCCESSOR IN INTEREST TO UNION BANK)

By:_____

Title:_____

U.S. BANK NATIONAL ASSOCIATION,
(SUCCESSOR IN INTEREST TO UNITED STATES
NATIONAL BANK OF OREGON)

By:_____

Title:_____

THE HARRIS TRUST AND SAVINGS
BANK CO.

By:_____

Title:_____

THIRD AMENDMENT TO
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This THIRD AMENDMENT (this "Amendment") is entered into as of February __, 1998, among IDEX Corporation, a Delaware corporation (the "Company"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "Banks"; individually, a "Bank"), and Bank of America National Trust and Savings Association, as successor by merger to Bank of America Illinois, as agent for the Banks (the "Agent").

BACKGROUND

WHEREAS, the Company, the Banks and the Agent have entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as the same may be further amended or modified from time to time, the "Credit Agreement") and the Loan Documents referred to in the Credit Agreement;

WHEREAS, the Company, the Banks and the Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Certain Amendments to Credit Agreement. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with Section 4 hereof, as follows:

2.1 The definition of "Intercompany Note" set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting it in its entirety.

2.2 The definition of "Loan Documents" set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"Loan Documents" means this Agreement, any Notes, the Fee Letters, the L/C Related Documents and all other documents delivered to the Agent or any Bank or Designated Bidder in connection herewith or therewith.

2.3 The definition of "Pledge Agreement" set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting it in its entirety.

2.4 The definition of "Pledged Notes" set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting it in its entirety.

2.5 The definition of "Subordinated Debt" set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"Subordinated Debt" shall mean all unsecured Indebtedness of the Company for money borrowed which is subordinated in form and substance to the Obligations, and which has terms of payment, covenants and remedies, all satisfactory to the Majority Banks as evidenced by their written approval thereof.

2.6 The definition of "Subsidiary Guaranty Agreement" set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting it in its entirety.

2.7 The definition of "Subsidiary Guarantor" set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting it in its entirety.

2.8 Section 5.01(a) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(a) Loan Documents. This Agreement and the Notes executed by each party thereto shall have been delivered to Agent;"

2.9 Section 6.17 of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"6.17 [Intentionally Omitted]"

2.10 Section 6.18 of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"6.18 [Intentionally Omitted]"

2.11 Section 7.13 of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"7.13 [Intentionally Omitted]"

2.12 Section 8.02(f) of the Credit Agreement is hereby amended by deleting the last paragraph of said section.

2.13 Section 8.04(e) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(e) additional Investments in any Domestic Subsidiary (other than an Investment constituting an Acquisition which shall be governed by Section 8.04 (g) or (h) below; provided that any such additional equity Investments in Domestic Subsidiaries after the Closing Date shall not exceed, in the aggregate \$10,000,000 outstanding;"

2.14 Section 8.04(n), subclause (4), of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(4) [Intentionally Omitted]; and"

2.15 Section 8.05(e) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(e) Intercompany Indebtedness to the extent permitted by Section 8.04; provided, however, that in the event of any subsequent issuance or transfer of any capital stock which results in the holder of such Indebtedness ceasing to be a Subsidiary of the Company or any subsequent transfer of such Indebtedness (other than to the Company or any of its Subsidiaries) such Indebtedness shall be required to be permitted under another clause of this Section 8.05; provided, further, however, that (x) in the case of Intercompany Indebtedness consisting of a loan or advance to Borrower, each such loan or advance shall be subordinated to the indefeasible payment in full of all of Borrower's obligations pursuant to this Agreement and the other Loan Documents;"

2.16 Section 8.05(f) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(f) Subordinated Debt of the Company in an aggregate amount not to exceed \$150,000,000 (it being understood that with respect to such Subordinated Debt, the approval of the Majority Banks required by the definition of Subordinated Debt will not be unreasonably withheld); and"

2.17 Section 8.07(e) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(e) [Intentionally Omitted];"

2.18 Section 8.08(d) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(d) the Company may prepay, redeem or defease all of the principal amount of the Subordinated Notes;"

2.19 Section 8.12 of the Credit Agreement is hereby amended by deleting "(a)" and by deleting paragraph (b) thereof in its entirety.

2.20 Section 8.14 of the Credit Agreement is hereby amended by deleting in its entirety the parenthetical beginning with the words "excepting this" in the third line down and inserting the following in lieu thereof:

"(excepting this Agreement and any Instrument executed pursuant hereto and any agreement governing indebtedness permitted to be incurred under Section 8.05(i) or any other agreement evidencing Subordinated Debt)"

2.21 Section 9.01(k) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(k) [Intentionally Omitted]; or"

2.22 Section 9.01(l) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(l) Invalidity of Subordination Provisions. The subordination provisions of any agreement or instrument governing any Subordinated Debt is for any reason revoked or invalidated, or otherwise cease to be in full force and effect, any Person contests in any manner the validity or enforceability thereof or denies that it has any further liability or obligation thereunder, or the Indebtedness hereunder is for any reason subordinated or does not have the priority contemplated by this Agreement or such subordination provisions."

2.23 The opening paragraph of Section 11.01 of the Credit Agreement is hereby amended by deleting the following phrase found in the fifth line down in its entirety:

"or any Subsidiary Guarantor, as applicable,"

2.24 Section 11.01(e) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(e) [Intentionally Omitted]; or"

2.25 Section 11.20 of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"11.20 [Intentionally Omitted]."

2.26 Exhibits 1.01A and 1.01B are hereby amended by deleting them in their entirety.

2.27 Each of the Banks hereby authorizes and directs the Agent to release all security for the Obligations and to terminate the Pledge Agreement and the Subsidiary Guaranty Agreement as of the effective date of this Amendment.

3. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction of the receipt by the Agent of duly executed counterparts of this Amendment from the Company and the Banks, the payment by the Company to the Agent for the ratable benefit of all the Banks of an amendment fee equal to .07% of the Commitment of each Bank, and the receipt by the Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

4. Certain Representations and Warranties by the Company. In order to induce the Banks and the Agent to enter into this Amendment, the Company represents and warrants to the Banks and the Agent that:

4.1 Authority. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

4.2 Validity. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law or otherwise).

4.3 No Conflicts. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

4.4 Approvals. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

4.5 Incorporated Representations and Warranties. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the

effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

4.6 No Defaults. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

5. Miscellaneous. The parties hereto hereby further agree as follows:

5.1 Further Assurances. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

5.2 Counterparts. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

5.3 Headings. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

5.4 Integration. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

5.5 Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

5.6 Binding Effect. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Agent and all of the Banks. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

5.7 Amendment; Waiver; Reaffirmation of Loan Documents. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and

each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Bank or the Agent in exercising any of their respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

5.8 Reference to and Effect on the Credit Agreement and the other Loan Documents. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

IDEX CORPORATION

By:_____

Title:_____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, AS AGENT

By:_____

Title:_____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, AS A BANK

By:_____

Title:_____

BANK OF SCOTLAND

By:_____

Title:_____

NATIONAL CITY BANK

By:_____

Title:_____

PNC BANK, NATIONAL ASSOCIATION

By:_____

Title:_____

UNION BANK OF CALIFORNIA, N.A.,
(SUCCESSOR IN INTEREST TO UNION BANK)

By:_____

Title:_____

U.S. BANK NATIONAL ASSOCIATION,
(SUCCESSOR IN INTEREST TO UNITED STATES
NATIONAL BANK OF OREGON)

By:_____

Title:_____

THE HARRIS TRUST AND SAVINGS
BANK CO.

By:_____

Title:_____

FOURTH AMENDMENT TO
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This FOURTH AMENDMENT (this "Amendment") is entered into as of April 3, 1998, among IDEX Corporation, a Delaware corporation (the "Company"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "Banks"; individually, a "Bank"), and Bank of America National Trust and Savings Association, as successor by merger to Bank of America Illinois, as agent for the Banks.

BACKGROUND

WHEREAS, the Company, the Banks and the Agent have entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as the same may be further amended or modified from time to time, the "Credit Agreement") and the Loan Documents referred to in the Credit Agreement;

WHEREAS, the Company, the Banks and the Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Certain Amendments to Credit Agreement. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with Section 3 hereof, as follows:

2.1 Subsection 7.01 (c) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(c) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of an unaudited consolidating statement of income of the Company and its Subsidiaries as at the end of such year and the related shareholders' equity and cash flows for such year, certified by a Responsible Officer as having been developed and used in connection with the preparation of the financial statements referred to in subsection 7.01(a);"

2.2 Section 8.14 of the Credit Agreement is hereby amended by deleting the words "or any other agreement evidencing Subordinated Debt" found in the second parenthetical to such section.

2.3 Subsection 8.16 (b) of the Credit Agreement is hereby amended by deleting the term "70%" and inserting "65%" in lieu thereof.

2.4 Subsection 8.16 (c) of the Credit Agreement is hereby amended by deleting the table found therein in its entirety and inserting the following in lieu thereof:

PERIOD	MAXIMUM RATIO
-----	-----
Closing Date - 4/3/98	3.50 to 1.0
4/3/98 and thereafter	3.00 to 1.0

2.5 Schedule 2.01 of the Credit Agreement is hereby amended by deleting it in its entirety and replacing it with the Schedule 2.01 attached hereto.

3. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction of the following conditions (the "Effective Date"):

3.1 Executed Amendment. Receipt by the Agent of duly executed counterparts of this Amendment from the Company and the Banks;

3.2 New Bank of America Note. Receipt by Bank of America NT & SA of a duly executed Amended and Restated Promissory Note in the amount of \$66,000,000.00 in replacement of the existing Amended and Restated Promissory Note in the amount of \$81,000,000.00; and

3.3 Miscellaneous. Receipt by the Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

4. Payments Among Banks Due to Reduction in Total Commitment. (a) On the Effective Date, each Bank other than Bank of America National Trust & Savings Association (each individually an "Other Bank", and collectively the "Other Banks") shall pay Bank of America National Trust & Savings Association (the "Decreasing Bank") an amount equal to the product of (i) the sum of the principal amount of all Base Rate Loans and L/C Obligations outstanding on the Effective Date and (ii) the difference between (A) each Other Bank's respective post-Effective Date Pro Rata Share and (B) each Other Bank's respective pre-Effective Date Pro Rata Share; and (b) on and after the Effective Date, all Other Banks shall pay, on the last day of each Interest Period for any Offshore Rate Loans which are outstanding on the Effective Date, the Decreasing Bank an amount equal to the product of (i) the sum of principal amount of such Offshore Rate Loan on the last day of its Interest Period and (ii) the difference between (A) each Other Bank's respective post-Effective Date Pro Rata Share and (B) each Other Bank's respective pre-Effective Date Pro Rata Share. After the Effective Date, all new Loans shall be funded and paid at the new Pro Rata Share amounts.

5. Certain Representations and Warranties by the Company. In order to induce the Banks and the Agent to enter into this Amendment, the Company represents and warrants to the

Banks and the Agent that:

5.1 Authority. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

5.2 Validity. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law or otherwise).

5.3 No Conflicts. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

5.4 Approvals. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

5.5 Incorporated Representations and Warranties. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

5.6 No Defaults. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

6. Miscellaneous. The parties hereto hereby further agree as follows:

6.1 Further Assurances. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

6.2 Counterparts. This Amendment may be executed in one or more counterparts,

each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

6.3 Headings. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

6.4 Integration. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

6.5 Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

6.6 Binding Effect. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Agent and all of the Banks. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

6.7 Amendment; Waiver; Reaffirmation of Loan Documents. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Bank or the Agent in exercising any of their respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

6.8 Reference to and Effect on the Credit Agreement and the other Loan Documents. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be

amended wherever and as necessary to reflect the foregoing amendments.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

IDEX CORPORATION

By:_____

Title:_____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, AS AGENT

By:_____

Title:_____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, AS A BANK

By:_____

Title:_____

NATIONAL CITY BANK

By:_____

Title:_____

PNC BANK, NATIONAL ASSOCIATION

By:_____

Title:_____

UNION BANK OF CALIFORNIA, N.A.,
(SUCCESSOR IN INTEREST TO UNION BANK)

By:_____

Title:_____

U.S. BANK NATIONAL ASSOCIATION,
(SUCCESSOR IN INTEREST TO UNITED STATES
NATIONAL BANK OF OREGON)

By:_____

Title:_____

THE HARRIS TRUST AND SAVINGS
BANK CO.

By:_____

Title:_____

SCHEDULE 2.01

COMMITMENTS
AND PRO RATA SHARES

Bank -----	Commitment -----	Pro Rata Share -----
Bank of America NT & SA	\$66,000,000	28.08510638%
PNC Bank, National Association	40,000,000	17.02127660%
The Harris Trust and Savings Bank Co.	33,000,000	14.04255319%
Union Bank of California, N.A.	33,000,000	14.04255319%
U.S. Bank National Association	33,000,000	14.04255319%
National City Bank	30,000,000	12.76595745%
	-----	-----
 TOTAL	 \$235,000,000	 100%

FIRST AMENDED AND RESTATED 1996 STOCK PLAN
FOR OFFICERS OF IDEX CORPORATION

IDEX Corporation, a Delaware corporation (the "Company"), by resolution of its Board of Directors, originally approved the form of the 1996 Stock Plan for Officers of IDEX Corporation (the "Original Plan") on January 23, 1996. The Original Plan was approved by the shareholders of the Company on March 26, 1996. The Board of Directors approved certain amendments to the Original Plan on January 27, 1998, as a result of which the Original Plan was restated as the First Amended and Restated 1996 Stock Plan for Officers of IDEX Corporation (the "Plan"). The Plan applies to options granted under the Plan subsequent to January 27, 1998 only and all options granted under the Original Plan prior to January 27, 1998 shall be governed by the terms of the Original Plan. The purposes of this Plan are as follows:

(1) To further the growth, development and financial success of the Company by providing additional incentives to certain of its Officers who have been or will be given responsibility for the management or administration of the Company's business affairs, by assisting them to become owners of the Company's Common Stock and thus to benefit directly from its growth, development and financial success.

(2) To enable the Company to obtain and retain the services of the type of managerial employees considered essential to the long-range success of the Company by providing and offering them an opportunity to become owners of the Company's Common Stock under options and/or deferred compensation awards (pursuant to this Plan and any Deferred Compensation Plans that permit deferrals into accounts distributable in Common Stock after the deferral period).

ARTICLE I.

DEFINITIONS

Whenever the following terms are used in this Plan, they shall have the meaning specified below unless the context clearly indicates to the contrary. The singular shall include the plural, where the context so indicates.

Section 1.1. - Board

"Board" shall mean the Board of Directors of the Company.

Section 1.2. - Change in Control

"Change in Control" shall mean the occurrence of (a) any transaction or series of transactions which within a 12-month period constitute a change of management or control where (i) at least 51 percent of the then outstanding shares of Common Stock are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof) redeemed by the Company or purchased by any person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Company, or any combination of such redemption, purchase or exchange, or (ii) at least 51

percent of the Company's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Company for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Company is merged or consolidated with another corporation regardless of whether the Company is the survivor (except any such transaction solely for the purpose of changing the Company's domicile or which does not change the ultimate beneficial ownership of the equity interests in the Company), or (b) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, acquisition, merger or consolidation constituting such a change of management or control. For purposes hereof, the term "control" shall have the meaning ascribed thereto under the Exchange Act and the regulations thereunder, and the term "management" shall mean the chief executive officer of the Company. For purposes of clause (a)(ii) above or as appropriate for purposes of clause (b) above, the Company shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

Section 1.3. - Code

"Code" shall mean the Internal Revenue Code of 1986, as amended.

Section 1.4. - Committee

"Committee" shall mean the Compensation Committee of the Board, appointed as provided in Section 7.1.

Section 1.5. - Common Stock

"Common Stock" shall mean the common stock, par value \$.01 per share, of the Company.

Section 1.6. - Company

"Company" shall mean IDEX Corporation.

Section 1.7. - Deferral Date

"Deferral Date" shall mean, in connection with any Deferred Compensation Unit, the date on which any deferred compensation with respect thereto would have been paid if no deferral election had been made.

Section 1.8. - Deferred Compensation Plans

"Deferred Compensation Plans" shall mean any deferred compensation plan adopted by the Company or any Parent Corporation or any Subsidiary that permits deferrals into accounts payable in Common Stock upon distribution thereof and in which any Officer is eligible to participate.

Section 1.9. - Deferred Compensation Units

"Deferred Compensation Units" shall mean the right of a Grantee to receive distributions of deferred compensation pursuant to any Deferred Compensation Plan in the form of Common Stock after the deferral period, determined in accordance with the terms of such Deferred Compensation Plan and Article VI of this Plan and based on the Fair Market Value on the deferral date.

Section 1.10. - Director

"Director" shall mean a member of the Board.

Section 1.11. - Dividend Equivalents

"Dividend Equivalents" shall mean Deferred Compensation Units equal to (i)(a) the cash dividend paid on one share of Common Stock, multiplied by (b) the number of Deferred Compensation Units credited to the account of any Grantee as of each applicable dividend record date, divided by (ii) the Fair Market Value on the related dividend payment date.

Section 1.12. - Employee

"Employee" shall mean any employee (as defined in accordance with the regulations and revenue rulings then applicable under Section 3401(c) of the Code) of the Company, or of any corporation which is then a Parent Corporation or a Subsidiary, whether such employee is so employed at the time this Plan is adopted or becomes so employed subsequent to the adoption of this Plan.

Section 1.13. - Exchange Act

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.14. - Fair Market Value

"Fair Market Value" shall mean the fair market value of a share of the Common Stock as of a given date measured as (i) the closing price of a share of the Common Stock on the principal exchange on which shares of the Common Stock are then trading, if any, on the day previous to such date, or, if shares were not traded on the day previous to such date, then on the next preceding trading day during which a sale occurred; or (ii) if such Common Stock is not traded on an exchange but is quoted on NASDAQ or a successor quotation system, (1) the last sales price (if the Common Stock is then listed as a National Market Issue under the NASD National Market System) or (2) the mean between the closing representative bid and asked prices (in all other cases) for the Common Stock on the day previous to such date as reported by NASDAQ or such successor quotation system; or (iii) if such Common Stock is not publicly traded on an exchange and not quoted on NASDAQ or a successor quotation system, the mean between the closing bid and asked prices for the Common Stock, on the day previous to such date, as determined in good faith by the Committee; or (iv) if the Common Stock is not publicly traded, the fair market value established by the Committee acting in good faith.

Section 1.15. - Grantee

"Grantee" shall mean an Officer to whom Deferred Compensation Units are awarded pursuant to this Plan.

Section 1.16. - Incentive Stock Option

"Incentive Stock Option" shall mean an Option which conforms to the applicable provisions of Section 422 of the Code and which is designated as an Incentive Stock Option by the Committee.

Section 1.17. - Non-Qualified Option

"Non-Qualified Option" shall mean an Option which is not designated as an Incentive Stock Option by the Committee.

Section 1.18. - Officer

"Officer" shall mean an officer of the Company, as defined in Rule 16a-1(f) under the Exchange Act, as such Rule may be amended in the future.

Section 1.19. - Option

"Option" shall mean a stock option granted under Article III of this Plan. An Option granted under this Plan shall, as determined by the Committee, be either a Non-Qualified Option or an Incentive Stock Option.

Section 1.20. - Optionee

"Optionee" shall mean an Employee to whom an Option is granted under the Plan.

Section 1.21. - Parent Corporation

"Parent Corporation" shall mean any corporation in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company then owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Section 1.22. - Permitted Transferee

"Permitted Transferee" shall mean (a) the spouse, children or grandchildren of the Optionee ("Immediate Family"), (b) a trust for the benefit of the Optionee or the Optionee's Immediate Family, or (c) a partnership, limited liability corporation or other entity ("Entity") in which the Optionee or the Optionee's Immediate Family are the only partners, members or holders of interests.

Section 1.23. - Plan

"Plan" shall mean this First Amended and Restated 1996 Stock Plan for Officers of IDEX Corporation.

Section 1.24. - Retirement

"Retirement" shall mean termination of employment with the Company upon reaching retirement age, or earlier, at the election of the Officer, in accordance with the Company's policy on retirement.

Section 1.25. - Rule 16b-3

"Rule 16b-3" shall mean that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended in the future.

Section 1.26. - Secretary

"Secretary" shall mean the Secretary of the Company.

Section 1.27. - Securities Act

"Securities Act" shall mean the Securities Act of 1933, as amended.

Section 1.28. - Subsidiary

"Subsidiary" shall mean any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain then owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Section 1.29. - Termination of Employment

"Termination of Employment" shall mean (unless otherwise specified in any applicable Deferred Compensation Plan) the time (which in the absence of any other determination by the Committee, shall be deemed to be the last day actually worked by the Optionee or Grantee) when the employee-employer relationship between the Optionee or Grantee and the Company, a Parent Corporation or a Subsidiary is terminated for any reason, with or without cause, including, but not by way of limitation, a termination by resignation, discharge, death or Retirement, but excluding terminations where there is a simultaneous reemployment by the Company, a Parent Corporation or a Subsidiary. The Committee, in its absolute discretion,

shall determine the effect of all other matters and questions relating to Termination of Employment, including, but not by way of limitation, the question of whether a Termination of Employment resulted from a discharge for good cause, and all questions of whether particular leaves of absence constitute Terminations of Employment; provided, however, that, with respect to Incentive Stock Options, a leave of absence shall constitute a Termination of Employment if, and to the extent that, such leave of absence interrupts employment for the purposes of Section 422(a)(2) of the Code and the then applicable regulations and revenue rulings under said Section.

ARTICLE II.

GENERAL CONDITIONS

Section 2.1. - Shares Subject to Plan

The shares of stock subject to Options and awards of Deferred Compensation Units shall be shares of the Common Stock. The aggregate number of such shares which may be issued upon exercise of Options and distributed pursuant to Deferred Compensation Units under the Plan shall not, after giving effect to the stock split in January, 1997, exceed 1,500,000 shares (of which no more than 600,000 shares may be issued pursuant to Deferred Compensation Units). Furthermore, the maximum number of shares of Common Stock which may be subject to Options granted or Deferred Compensation Units issued under the Plan to any individual in any calendar year shall not, after giving effect to the stock split in January, 1997, exceed 300,000, and the method of counting such shares shall conform to any requirements applicable to performance-based compensation under Section 162(m) of the Code. The shares of Common Stock issuable upon exercise of such Options or upon distributions with respect to any such Deferred Compensation Units may be either previously authorized and unissued shares or treasury shares.

Section 2.2. - Unexercised Options and Undistributed Shares

If any Option expires or is cancelled without having been fully exercised, the number of shares subject to such Option but as to which such Option was not exercised prior to its expiration or cancellation may again be either optioned or awarded hereunder, subject to the limitations of Section 2.1.

Section 2.3. - Changes in Company's Shares

In the event that the outstanding shares of Common Stock of the Company are hereafter changed into or exchanged for a different number or kind of shares or other securities of the Company, or of another corporation, by reason of reorganization, merger, consolidation, recapitalization, reclassification, stock split-up, stock dividend or combination of shares, appropriate adjustments shall be made by the Committee in the number and kind of shares for the purchase of which Options may be granted or which are distributable pursuant to Deferred Compensation Units, including adjustments of the limitations in Section 2.1 on the maximum number and kind of shares which may be issued on exercise of Options and distributed with respect to Deferred Compensation Units hereunder; provided, however, that in the case of Incentive Stock Options, each such adjustment shall be made in such manner as not to constitute a "modification" within the meaning of Section 424(h)(3) of the Code. In the event of an

adjustment contemplated by this Section 2.3 in any outstanding Options or Deferred Compensation Units, the Committee shall make an appropriate and equitable adjustment to the end that after such event the proportionate interest of the Optionee (or other person then entitled to exercise Options) or Grantee shall be maintained as before the occurrence of such event. Such adjustment in any outstanding Options or Deferred Compensation Units shall be made without change in the total price applicable to the Option or the unexercised portion of the Option or the aggregate value of undistributed Common Stock with respect to any Deferred Compensation Units (except for any change in the aggregate price resulting from rounding-off of share quantities or prices) and with any necessary corresponding adjustment in the Option price per share. In the event of a "spin-off" or other substantial distribution of assets of the Company which has a material diminutive effect upon Fair Market Value, the Committee may in its discretion make an appropriate and equitable adjustment to the Option exercise price or the number of shares of Common Stock distributable pursuant to Deferred Compensation Units to reflect such diminution. Any such adjustment made by the Committee shall be final and binding upon all Optionees or other persons then entitled to exercise Options, Grantees, the Company and all other interested persons.

Notwithstanding the foregoing, in the event of such a reorganization, merger, consolidation, recapitalization, reclassification, stock split-up, stock dividend or combination, or other adjustment or event which results in shares of Common Stock being exchanged for or converted into cash, securities or other property, the Company will have the right to terminate this Plan as of the date of the exchange or conversion, in which case all Options and Deferred Compensation Units under this Plan shall become the right to receive such cash, securities or other property, net of any applicable exercise price.

Section 2.4. - Conditions to Issuance of Stock Certificates

The Company shall not be required to issue or deliver any certificate or certificates for shares of Common Stock purchased upon the exercise of any Option or upon distribution pursuant to any Deferred Compensation Units, or portion thereof, prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which the Common Stock is then listed; and

(b) The completion of any registration or other qualification of such shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; and

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The payment to the Company (or other employer corporation) of all amounts which it is required to withhold under federal, state or local law in connection with the exercise of the Option or upon distribution pursuant to the Deferred Compensation Units; and

(e) The lapse of such reasonable period of time following the exercise of the Option or the distribution pursuant to the Deferred Compensation Units as the Committee may establish from time to time for reasons of administrative convenience.

Section 2.5. - Merger, Consolidation, Acquisition, Liquidation or Dissolution

Notwithstanding any other provision of this Plan, in its absolute discretion, and on such terms and conditions as it deems appropriate, the Committee may provide by the terms of any Option that such Option cannot be exercised after a Change in Control or the liquidation or dissolution of the Company (collectively, "Control Events"); and if the Committee so provides, it may, in its absolute discretion, on such terms and conditions as it deems appropriate, also provide, either by the terms of any Option or by a resolution adopted prior to the occurrence of such Control Event, that, for some period of time beginning prior to and ending as of (and including) the time of such event, such Option shall be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in Section 4.3(a), Section 4.3(b) or any installment provisions of any Option. The treatment of Deferred Compensation Units and the shares distributable with respect to such Units upon the occurrence of any Control Event shall be governed by the applicable Deferred Compensation Plan.

Section 2.6. - Rights as Shareholders

The holders of Options and Deferred Compensation Units shall not be, nor have any of the rights or privileges of, shareholders of the Company in respect of any shares purchasable upon the exercise of any part of an Option or distributable pursuant to a Deferred Compensation Unit unless and until certificates representing such shares have been issued by the Company to such holders.

Section 2.7. - Transfer Restrictions

The Committee, in its absolute discretion, may impose such restrictions on the transferability of the shares purchasable upon the exercise of an Option or distribution pursuant to Deferred Compensation Units as it deems appropriate. Any such restriction shall be set forth in the respective Stock Option Agreement or award of Deferred Compensation Units and may be referred to on the certificates evidencing such shares. The Committee will require an Officer to give the Company prompt notice of any disposition of shares of Common Stock acquired by exercise of an Incentive Stock Option within (i) two years from the date of granting such Option to such Officer or (ii) one year after the transfer of such shares to such Officer. The Committee may direct that the certificates evidencing shares acquired by exercise of an Option refer to such requirement to give prompt notice of disposition.

Section 2.8. - No Right to Continued Employment

Nothing in this Plan or in any Stock Option Agreement or Deferred Compensation Plan shall confer upon any Optionee or Grantee any right to continue in the employ of the Company, any Parent Corporation or any Subsidiary or shall interfere with or restrict in any way the rights of the Company, its Parent Corporation and its Subsidiaries, which are hereby expressly reserved, to discharge any Optionee or Grantee at any time for any reason whatsoever, with or without cause.

ARTICLE III.

GRANTING OF OPTIONS

Section 3.1. - Eligibility

Any Officer of the Company shall be eligible to be granted Options under the Plan, as provided in Section 3.3.

Section 3.2. - Qualification of Incentive Stock Options

No Incentive Stock Option shall be granted unless such Option, when granted, qualifies as an "incentive stock option" under Section 422 of the Code. Without limitation of the foregoing, no person shall be granted an Incentive Stock Option under this Plan if such person, at the time the Incentive Stock Option is granted, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. Any Incentive Stock Option granted under this Plan may be modified by the Committee to disqualify such option from treatment as an "incentive stock option" under Section 422 of the Code.

Section 3.3. - Granting of Options

(a) The Committee shall from time to time, in its absolute discretion:

(i) Determine and select from among the Officers (including those to whom Options have been previously granted under the Plan) such of them as in its opinion should be granted Options; and

(ii) Determine the number of shares to be subject to such Options granted to such selected Officers; and

(iii) Determine whether such Options are to be Incentive Stock Options or Non-Qualified Options; and

(iv) Determine the terms and conditions of such Options, consistent with the Plan.

(b) Upon the selection of an Officer to be granted an Option, the Committee shall instruct the Secretary to issue such Option and may impose such conditions on the grant of such Option as it deems appropriate. Without limiting the generality of the preceding sentence, the Committee may, in its discretion and on such terms as it deems appropriate, require as a condition on the grant of an Option to an Officer that the Officer surrender for cancellation some or all of the unexercised Options which have been previously granted to such Officer. An Option the grant of which is conditioned upon such surrender may have an option price lower (or higher) than the option price of the surrendered Option, may cover the same (or a lesser or greater) number of shares as the surrendered Option, may contain such other terms as the Committee deems appropriate and shall be exercisable in accordance with its terms, without regard to the number of shares, price, option period or any other term or condition of the surrendered Option.

ARTICLE IV.

TERMS OF OPTIONS

Section 4.1. - Option Agreement

Each Option shall be evidenced by a written Stock Option Agreement, which shall be executed by the Optionee and an authorized Officer of the Company and which shall contain such terms and conditions as the Committee shall determine, not inconsistent with the Plan. Stock Option Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

Section 4.2. - Option Price

The price per share of the shares subject to each Option shall be set by the Committee; provided, however, that the price per share shall not be less than 100% of the Fair Market Value as of the date such Option is granted.

Section 4.3. - Commencement of Exercisability

(a) Except as the Committee may otherwise provide, no Option may be exercised in whole or in part during the first year after such Option is granted.

(b) Subject to the provisions of Sections 4.3(a) and 4.3(c), Options shall become exercisable at such times and in such installments (which may be cumulative) as the Committee shall provide in the terms of each individual Option; provided, however, that by a resolution adopted after an Option is granted the Committee may, on such terms and conditions as it may determine to be appropriate and subject to Sections 4.3(a) and 4.3(c), accelerate the time at which such Option or any portion thereof may be exercised.

(c) No portion of an Option which is unexercisable at Termination of Employment shall thereafter become exercisable; provided, however, that in the event of a Termination of Employment resulting from the Optionee's death, disability or Retirement, all Options shall become exercisable, effective immediately upon the occurrence of such event.

(d) To the extent that the aggregate Fair Market Value with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to the limitations of Section 422(d) of the Code) are exercisable for the first time by an Optionee during any calendar year (under the Plan and all other incentive stock option plans of the Company and any Parent Corporation or any Subsidiary) exceeds \$100,000, such Options shall be treated as Non-Qualified Options to the extent required by Section 422 of the Code. The rule set forth in the preceding sentence shall be applied by taking Options into account in the order in which they were granted. For purposes of this Section 4.3(d), the Fair Market Value shall be determined as of the time the Option with respect to such stock is granted.

Section 4.4. - Expiration of Options

(a) No Option may be exercised to any extent by anyone after, and every Option shall expire no later than, the expiration of ten years from the date the Option was

granted.

(b) Subject to the provisions of Sections 4.4(a) and 4.4(c), the Committee shall provide, in the terms of each individual Option, when such Option expires and becomes unexercisable.

(c) The term of any Incentive Stock Option shall not be more than five years from such date if the Incentive Stock Option is granted to an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of capital stock of the Company or any Parent Corporation or any Subsidiary.

Section 4.5. - Consideration

In consideration of the granting of an Option, the Optionee shall agree, in the written Stock Option Agreement, to remain in the employ of the Company, a Parent Corporation or a Subsidiary, with such duties and responsibilities as the Company shall from time to time prescribe.

Section 4.6. - Termination of Incentive Stock Option Grants Under Plan

In no event may any Incentive Stock Option be granted under the Plan after January 23, 2006.

ARTICLE V.

EXERCISE OF OPTIONS

Section 5.1. - Person Eligible to Exercise

Except as otherwise provided in Section 8.1, during the lifetime of the Optionee, only such Optionee may exercise an Option (or any portion thereof) granted to such Optionee. After the death of the Optionee, any exercisable portion of an Option may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Stock Option Agreement, be exercised by such Optionee's Beneficiary. "Beneficiary" shall mean any one or more persons, corporations, trusts, estates, or any combination thereof, last designated by an Optionee in accordance with the applicable Stock Option Agreement.

Section 5.2. - Partial Exercise

At any time and from time to time prior to the time when any exercisable Option or exercisable portion thereof becomes unexercisable under the Plan or the applicable Stock Option Agreement, such Option or portion thereof may be exercised in whole or in part; provided, however, that the Company shall not be required to issue fractional shares and the Committee may, by the terms of the Option, require any partial exercise to be with respect to a specified minimum number of shares.

Section 5.3. - Manner of Exercise

An exercisable Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary or the Secretary's office of all of the following prior to the time when such Option or such portion becomes unexercisable under the Plan or the applicable Stock Option Agreement:

(a) Notice in writing signed by the Optionee or other person then entitled to exercise such option or portion, stating that such Option or portion is exercised, such notice complying with all applicable rules established by the Committee;

(b) Full payment (in cash or by check) for the shares with respect to which such Option or portion thereof is exercised, including payment to the Company (or other employer corporation) of all amounts which it is required to withhold under federal, state or local law in connection with the exercise of the Option. However, in the discretion of the Committee, payment may be made, in whole or in part, through (i) the delivery of shares of Common Stock owned by the Optionee or other person then entitled to exercise such Option, duly endorsed for transfer to the Company with a Fair Market Value on the date of delivery equal to that portion of the aggregate exercise price of the Option or exercised portion thereof plus the amount of the applicable withholding tax for which such payment is permitted by the Committee; (ii) the surrender of shares of Common Stock then issuable upon exercise of the Option having a Fair Market Value on the date of Option exercise equal to that portion of the aggregate exercise price of the Option or exercise portion thereof, plus the amount of the applicable withholding tax, for which such payment is permitted by the Committee; (iii) the delivery of a full recourse promissory note bearing interest (at no less than such rate as shall then preclude the imputation of

interest under the Code) and payable upon such terms as may be prescribed by the Committee; (iv) to the extent permitted by law (including then-existing interpretations of Rule 16b-3), a "cashless exercise procedure" satisfactory to the Committee which permits the Optionee or other person then entitled to exercise such Option to deliver an exercise notice to a broker-dealer, who then sells Option shares, delivers the proceeds of the sale, less commission, to the Company, which delivers such proceeds, less the exercise price and withholding taxes, to the Optionee or other person then entitled to exercise such Option, or (v) any combination of the consideration provided in the foregoing subparagraphs (i), (ii), (iii) and (iv). In the case of a promissory note, the Committee may also prescribe the form of such note and the security (if any) to be given for such note. Notwithstanding the foregoing, the Option may not be exercised by delivery of a promissory note or by a loan from the Company where such loan or other extension of credit is prohibited by law;

(c) Such representations and documents as the Committee, in its absolute discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act and any other federal or state securities laws or regulations. The Committee may, in its absolute discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and issuing stop-transfer orders to transfer agents and registrars; and

(d) In the event that the Option or portion thereof shall be exercised pursuant to Section 5.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option or portion thereof.

ARTICLE VI.

DEFERRED COMPENSATION UNITS

Section 6.1. - Granting of Deferred Compensation Units

To the extent elected by any Grantee and permitted by any Deferred Compensation Plan, the Committee may award Deferred Compensation Units to any Grantee in lieu of all or any portion of the compensation deferred by the Grantee, including without limitation, salary and bonuses, that would otherwise be payable to such Grantee in cash. Deferred Compensation Units may be awarded, in the discretion of the Committee, either (i) with respect to any deferral by any Grantee who so elects, or (ii) with respect to all or a specified maximum portion of the amount of compensation deferred or to be deferred under any Deferred Compensation Plan for any fiscal year or longer period by any Grantee or group of Grantees who may deliver one or more irrevocable written elections to the Company to receive Deferred Compensation Units in lieu of all or such portion of such cash compensation as shall be specified in such election.

Section 6.2. - Effect of Grants

The number of shares of Common Stock distributable pursuant to each Deferred Compensation Unit shall be charged against the maximum number of shares of Common Stock that may be issued under this Plan at any time. The number of shares of Common Stock to be distributed to a Grantee at such time as such distribution is to be made consistent with the terms

of the applicable Deferred Compensation Plan and such deferral, and to be charged against the number of shares issuable under this Plan at any time, shall equal the number of Deferred Compensation Units credited to the account of such Grantee, subject to Section 2.1.

Section 6.3. - Accounting; Fractional Units

(a) The number of Deferred Compensation Units credited to the account of any Grantee shall be rounded to the nearest one-thousandth of a Unit. The account to which Deferred Compensation Units are credited shall be an unsecured, unfunded general obligation of the Company. The Company will maintain records of the number of Deferred Compensation Units for the account of each officer, in part, to prevent an issuance of shares of Common Stock in excess of the authorized shares.

(b) Notwithstanding paragraph (a) above, upon distribution of any Common Stock represented by Deferred Compensation Units, the number of shares shall be rounded downward to the nearest whole share and no fractional shares shall be issued. Fractional Units remaining after the final distribution to any Grantee shall be cancelled without obligation to the Grantee.

(c) The number of Deferred Compensation Units awarded to each Grantee, together with any conditions applicable thereto pursuant to this Plan, shall be specified in writing to each Grantee by the Committee after each Deferral Date.

ARTICLE VII.

ADMINISTRATION

Section 7.1. - Compensation Committee

The Compensation Committee shall consist of two or more Directors, appointed by and holding office at the pleasure of the Board, none of whom may (i) be an Officer, (ii) receive compensation, either directly or indirectly, from the Company or any Parent Corporation or Subsidiary, for services rendered in any capacity other than as a Director, except for an amount that does not exceed the dollar amount for which disclosure would be required pursuant to Item 404 of Regulation S-K ("Item 404"), (iii) possess an interest in any other transaction for which disclosure would be required pursuant to Item 404 or (iv) be engaged in a business relationship for which disclosure would be required pursuant to Item 404. The constitution of the Committee must also comply with the requirements of Section 162(m) of the Code. The failure of the constitution of the Committee to comply with the foregoing requirements shall not adversely affect the validity of any shares issued upon exercise of Options or distributed pursuant to Deferred Compensation Units under the Plan. Appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time. Vacancies in the Committee shall be filled by the Board.

Section 7.2. - Duties and Powers of Committee

It shall be the duty of the Committee to conduct the general administration of the Plan in accordance with its provisions. The Committee shall have the power to interpret the Plan,

the Options and the Deferred Compensation Plans pursuant to which Deferred Compensation Units are granted and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. Any such interpretations and rules in regard to Incentive Stock Options shall be consistent with the basic purpose of the Plan to grant "incentive stock options" within the meaning of Section 422 of the Code. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under this Plan except with respect to matters which under Section 162(m) of the Code, or any regulations or rules issued thereunder, are required to be determined in the sole discretion of the Committee.

Section 7.3. - Majority Rule

The Committee shall act by a majority of its members in office. The Committee may act either by vote at a meeting or by a memorandum or other written instrument signed by a majority of the Committee.

Section 7.4. - Compensation; Professional Assistance; Good Faith Actions

Members of the Committee shall receive such compensation for their services as members as may be determined by the Board. All expenses and liabilities incurred by members of the Committee in connection with the administration of the Plan shall be borne by the Company. The Committee may employ attorneys, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company and its Officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Optionees or other persons then entitled to exercise Options, Grantees, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Options or Deferred Compensation Units, and all members of the Committee shall be fully protected by the Company in respect to any such action, determination or interpretation.

ARTICLE VIII.

OTHER PROVISIONS

Section 8.1. - Transfer Restrictions on Options and Units

No Option, Deferred Compensation Unit or interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionee, Grantee or their respective successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that nothing in this Section 8.1 shall prevent transfers to a Beneficiary upon the death of the Optionee or pursuant to the following paragraph.

A Non-Qualified Option may be transferred by the Optionee to a Permitted Transferee; provided, however, that (i) there may not be consideration for any such transfer, and (ii) once transferred pursuant to the preceding provisions of this Section 8.1, no subsequent transfer of the Non-Qualified Option shall be permitted except a transfer by will or the laws of descent and distribution or, in the case of a trust or Entity which is a Permitted Transferee, to the Optionee or Immediate Family partners, members or holders of interests in the trust or Entity pursuant to the terms of such trust or Entity agreement. Following transfer, the terms and conditions of the Plan and the applicable Stock Option Agreement shall continue to be applicable in all respects to the Optionee and the Non-Qualified Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer as if the Non-Qualified Option had not been transferred, including, but not limited to, the terms and conditions with respect to the lapse and termination of such Non-Qualified Option. None of the Company, the Committee or the Optionee shall have any obligation to inform any transferee of the termination or lapse of the Non-Qualified Option for any reason. Notwithstanding any other provision of the Plan, any Non-Qualified Option transferred in accordance with this Section 8.1 shall be exercisable by the transferee only to the extent, and for the periods specified in the applicable Stock Option Agreement as if such Non-Qualified Option had not been transferred.

Section 8.2. - Amendment, Suspension or Termination of the Plan

The Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee. However, unless otherwise determined by the Board and permitted by Rule 16b-3 as then in effect, without approval of the Company's shareholders given within 12 months before or after the action by the Committee, no action of the Committee may, except as provided in Section 2.3, increase by more than 10% any limit imposed in Section 2.1 on the maximum number of shares which may be issued on exercise of Options or distributed pursuant to Deferred Compensation Units, materially modify the eligibility requirements of Section 3.1, reduce the minimum Option price requirements of Section 4.2(a) or extend the limit imposed in this Section 8.2 on the period during which Options may be granted or amend or modify the Plan in a manner requiring shareholder approval under Rule 16b-3 or the Code. Neither the amendment, suspension nor termination of the Plan shall, without the consent of the holder of an Option or Deferred Compensation Unit, impair any rights or obligations under any Option or Deferred Compensation Unit theretofore granted. No Option

or Deferred Compensation Unit (except Dividend Equivalents) may be granted during any period of suspension nor after termination of the Plan, and, except as provided in Section 4.6, in no event may any Option or Deferred Compensation Unit (except Dividend Equivalents) be granted under this Plan after September 24, 2006.

Section 8.3. - Effect of Plan Upon Other Option and Compensation Plans

The adoption of this Plan shall not affect any other compensation or incentive plans in effect for the Company, any Parent Corporation or any Subsidiary. Nothing in this Plan shall be construed to limit the right of the Company, any Parent Corporation or any Subsidiary (a) to establish any other forms of incentives or compensation for employees of the Company, any Parent Corporation or any Subsidiary or (b) to grant or assume options otherwise than under this Plan in connection with any proper corporate purpose, including, but not by way of limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, firm or association.

Section 8.4. - Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

Section 8.5. - Conformity to Securities Laws and Other Statutory Requirements

The Plan is intended to conform to the extent necessary with all provisions of the Securities Act, the Exchange Act and the Code and any and all regulations and rules promulgated by the Securities and Exchange Commission and Internal Revenue Service thereunder, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and Options and Deferred Compensation Units shall be granted and may be exercised or distributed, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, Options and Deferred Compensation Units granted hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations. Without limitation of the foregoing and notwithstanding any other provision of this Plan, any Option or Deferred Compensation Units granted to an Officer who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule, and this Plan shall be deemed amended to the extent necessary to conform to such limitations. Furthermore, notwithstanding any other provision of this Plan, any Option or award intended to qualify as performance-based compensation as described in Section 162(m)(4)(C) of the Code shall be subject to any additional limitations set forth in Section 162(m) of the Code (including any amendment to Section 162(m) of the Code) or any regulations or rulings issued thereunder that are requirements for qualification as performance-based compensation as described in Section 162(m)(4)(C) of the Code, and this Plan shall be deemed amended to the extent necessary to conform to such requirements.

Section 8.6. - Governing Law

This Plan and any agreements hereunder shall be administered, interpreted and enforced in accordance with the laws of the State of Illinois (without reference to the choice of law provisions of Illinois law).

* * * *

I hereby certify that the foregoing Plan was duly approved by the Board of Directors of IDEX Corporation effective January 28, 1998.

Executed on this 10th day of March, 1998.

Frank J. Notaro
Secretary

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