SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998 OR

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

FOR THE TRANSITION PERIOD FROM --------- TO ----------

COMMISSION FILE NUMBER 1-10235

IDEX CORPORATION

(Exact Name of Registrant As Specified in Its Charter)

DELAWARE	36-3555336
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
630 DUNDEE ROAD NORTHBROOK, ILLINOIS (Address of principal executive offices)	60062 (Zip code)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, PAR VALUE $.01 PER SHARE	NEW YORK STOCK EXCHANGE CHICAGO STOCK EXCHANGE

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

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

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

The aggregate market value of the voting stock held by nonaffiliates of IDEX Corporation as of December 31, 1998 was $479,086,630.

The number of shares outstanding of IDEX Corporation's common stock, par value $.01 per share (the "Common Stock"), as of January 29, 1999 was 29,463,390.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 1998 Annual Report to shareholders of IDEX Corporation (the "1998 Annual Report") are incorporated by reference into Parts I and II of this Form 10-K and portions of the definitive Proxy Statement of IDEX Corporation (the "1999 Proxy Statement") with respect to the 1999 annual meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

PART 1

ITEM 1. BUSINESS.

IDEX Corporation ("IDEX" or the "Company") designs, manufactures and markets a broad range of pump products, dispensing equipment and other engineered products serving a diverse customer base in the United States and internationally. The Company believes that each of its principal business units 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 three reportable business segments: Pump Products Group, Dispensing Equipment Group and Other Engineered Products Group.

PUMP PRODUCTS 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, machinery, water treatment, medical equipment, petroleum distribution, oil and refining, and food processing. In 1998, the six business units comprising the group -- Corken, Gast Manufacturing, Micropump, Pulsafeeder, Viking Pump, and Warren Rupp -- accounted for 59% of the Company's net sales. The Company acquired Gast Manufacturing Corporation ("Gast") on January 21, 1998, for a cash purchase price of approximately $118 million. Approximately 32% of 1998 net sales in this Group were to customers outside the United States.

Corken. Management estimates that Corken has approximately 50% of the U.S. market for pumps and small horsepower compressors used in liquefied petroleum gas distribution facilities. Corken produces low-horsepower compressors, vane and turbine pumps and valves used for the transfer of liquefied petroleum gas, compressed natural gas and other gaseous substances. Most of Corken's sales are made through domestic and international distributors, and they often incorporate Corken's products into engineered packages sold to end-users. Approximately 45% of Corken's 1998 net sales were to customers outside the United States. Corken, which was acquired by IDEX in 1991, is based in Oklahoma City, Oklahoma.

Gast Manufacturing. Gast Manufacturing is one of the world's leading manufacturers of an extensive and versatile line of air-moving products, including vacuum pumps, air motors, vacuum generators, regenerative blowers and fractional horsepower compressors. Gast is headquartered in Benton Harbor, Michigan, and has an assembly facility in England. Approximately 20% of Gast's sales are to customers outside the United States. Management believes that Gast has a leading position with an estimated one-third U.S. market share in air motors, low and medium range vacuum pumps, and rotary and diaphragm fractional horsepower compressors.

Micropump. Micropump is, according to management estimates, the leader in corrosion-resistant, magnetically-driven miniature pump technology with an estimated 40% U.S. market share. Micropump's products include pumps and fluid management systems for low-flow abrasive and corrosive applications such as inks, dyes, solvents, chemicals, petrochemicals, acids and chlorides. Micropump products are used in a variety of industries including chemical processing, laboratory, medical, printing, electronics, pulp and paper, water treatment, pharmaceutical and textiles. Approximately 50% of Micropump's 1998 net sales were to customers outside the United States. Micropump, which was acquired by IDEX in 1995, has its headquarters and principal manufacturing facility in Vancouver, Washington, and also conducts operations in England.

Pulsafeeder. Management estimates that Pulsafeeder has approximately 40% of the U.S. market for metering pumps used in the process industries and water treatment markets. Pulsafeeder designs, manufactures and markets a wide range of metering pumps, special purpose rotary pumps, peristalic pumps, electronic controls and dispensing equipment. These products regulate the precise flow of liquids in mixing, blending and injection applications. Primary markets served are water conditioning and wastewater treatment, chemical and hydrocarbon processing, food processing, chemical metering and institutional warewash. Pulsafeeder products are sold through an extensive distribution network, which includes company sales personnel, distributors and independent representatives and an estimated 30% of its 1998 net sales were to customers outside the United States. IDEX acquired Knight Equipment International, Inc. ("Knight"), a leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing and chemical metering, in December 1997. Knight is operated as part of Pulsafeeder. Pulsafeeder, which was acquired by IDEX in 1992, is headquartered in Rochester, New York, with additional manufacturing facilities in Punta Gorda, Florida, Lake Forest, California, Covington, Georgia and Enschede, The Netherlands. Pulsafeeder also has sales offices in Singapore and China.

Viking Pump. Viking Pump is one of the world's largest manufacturers of positive displacement rotary gear pumps. Management believes that Viking pumps represent approximately 35% of the U.S. rotary gear pump market. Viking's other products include rotary lobe and metering pumps, speed reducers, flow dividers and basket-type line strainers. Viking pumps are used by numerous industries such as the chemical, petroleum, food, pulp and paper, machinery and construction industries. Sales of Viking pumps and replacement parts are made through approximately 100 independent distributors and directly to original equipment manufacturers. Approximately 30% of Viking's 1998 net sales were to customers outside the United States. In addition to its facilities in Cedar Falls, Iowa, Viking also maintains manufacturing facilities in England, Canada and Ireland, and has sales offices in the Netherlands, Singapore, Mexico, Canada and China. Viking operates two foundries in Cedar Falls, Iowa which supply a majority of Viking's castings requirements. In addition, these foundries sell a variety of castings to outside customers.

Warren Rupp. Warren Rupp is a producer of air-operated and motor-driven double-diaphragm pumps. Management believes that Warren Rupp has approximately one-quarter of the U.S. market for air-operated double-diaphragm pumps. Blagdon Pump, the U.K.-based manufacturer of air-operated diaphragm pumps acquired by IDEX in April 1997, is operated as part of Warren Rupp. Warren Rupp's pumps are well suited for pumping liquids, slurries and solids in suspension. End-user markets include paint, chemical, mining, construction, and automotive service industries. Warren Rupp pumps are sold through a network of independent distributors and directly to a small number of original equipment manufacturers. Sales to customers outside the U.S. represented approximately 50% of Warren Rupp's 1998 net sales. Warren Rupp is headquartered in Mansfield, Ohio, and has a sales office in Singapore. Blagdon Pump has a manufacturing facility in England to serve the European market and a sales office in Singapore.

DISPENSING EQUIPMENT GROUP

The Dispensing Equipment Group produces highly engineered equipment for dispensing, metering and mixing tints, colorants, paints, inks and dyes, and centralized lubrication systems. This equipment is used in a wide array of industries around the world, such as paints and coatings, machinery, and transportation equipment. In 1998, the two business units comprising this group -- Fluid Management and Lubriquip -- accounted for 19% of the Company's net sales. Approximately 46% of this Group's 1998 net sales were to customers outside the United States.

Fluid Management. Fluid Management is the world's leading manufacturer of dispensing and mixing equipment that precisely meters and mixes a wide variety of liquids including paints, colorants, ink, dyes and other liquids and pastes. Management believes Fluid Management has an approximate 50% worldwide share in its niche market. Its products can be found in local paint and building supply stores, paint plants, vehicle manufacturing facilities and other locations where fluids are dispensed and mixed in precise volumes. Fluid Management, which was acquired by IDEX in 1996, has manufacturing facilities in Wheeling, Illinois, the Netherlands and Australia, with sales and distribution facilities worldwide. Approximately 55% of its 1998 sales were to customers outside the United States.

Lubriquip. Lubriquip is, according to management estimates, the largest United States producer of centralized oil and grease lubrication systems and force-feed lubricators, with approximately one-third of the U.S. market for its type of products. Lubriquip's lubrication system components include pumps and pump packages for pneumatic, mechanical, electric and hydraulic operations, metering devices, electronic controllers, monitors and timers, and accessories. These systems are sold through a variety of sales channels, including independent distributors, to a wide range of industrial markets including machine tools (both automotive and general purpose), chemical processing, construction equipment, food processing machinery, engine and compressor, railroad, and over-the-road industries. Lubriquip's products are available worldwide through over 100 independent distributors, with international sales representing approximately 20% of its 1998 net sales. Lubriquip, headquartered in Warrensville Heights, Ohio, also has a manufacturing plant in Madison, Wisconsin and has sales offices in Belgium and Singapore.

OTHER ENGINEERED PRODUCTS GROUP

The Other Engineered Products Group manufactures proprietary equipment, including banding and clamping devices, fire fighting pumps and rescue tools. These products are used in a broad range of industrial and commercial markets, including transportation equipment, oil and gas, electronics, communications, traffic and commercial signs, and fire and rescue. In 1998, the two business units comprising this group -- Band-It and Hale Products -- accounted for 22% of the Company's net sales. Approximately 53% of 1998 net sales in this group were to customers outside the United States.

Band-It. Band-It, headquartered in Denver, Colorado, is one of the largest worldwide producers of stainless steel bands, buckles and preformed clamps and related installation tools. Its products include stainless steel bands and clamps for various municipal, commercial and industrial applications and road, traffic and commercial sign-mounting systems. Management believes that Band-It has approximately 50% of the U.S. market for high quality stainless steel band and buckle. Its clamps are used to secure hoses to nipples, devices to pipes and poles, signs to sign standards, cables in a group, insulation to pipes and for hundreds of other industrial clamping applications. Band-It also has developed an exclusive line of tools for installing its band, buckle and preformed clamps. Band-It's Signfix subsidiary, acquired by IDEX in 1993, is the leading U.K.-based manufacturer of sign-mounting devices and related equipment. Band-It markets its products domestically and internationally. It has manufacturing and distribution facilities in three locations in England, as well as Germany and Singapore to serve the European and Far East markets. International sales accounted for approximately 60% of Band-It's 1998 net sales. Its products are sold through a worldwide network of over 4,500 distributors to a wide range of markets, including the transportation, commercial and governmental signage, utilities, mining, oil and gas, industrial maintenance, construction, communication and electronics industries.

Hale Products. Hale Products ("Hale"), acquired by IDEX in 1994, is the world's leading manufacturer of truck-mounted fire-fighting pumps and also manufactures a wide range of portable, mobile and freestanding pumping units. Hale also is the world's leading manufacturer of rescue tool systems with the Hurst Jaws of Life(R) and Lukas(R) rescue systems. Lukas, headquartered in Germany, was acquired by IDEX in 1995. Hale is estimated to have a worldwide market share for truck-mounted fire-fighting pumps and rescue systems in excess of 50%. Sales of Hale's truck-mounted fire-fighting pumps are made directly to manufacturers of fire trucks, while portable pumps and rescue tools are generally sold through independent distributors. Approximately 50% of Hale's 1998 net sales were to customers outside the United States. Hale has its headquarters and a manufacturing facility in Conshohocken, Pennsylvania. It also has production facilities in North Carolina, Tennessee, England and Germany, and service and distribution centers in Germany and Singapore.

DISCONTINUED OPERATIONS

In December 1997, IDEX announced its intention to divest its Strippit and Vibratech businesses. The Company completed the sale of Vibratech on June 9, 1998, for $23.0 million in cash, and the sale of Strippit on August 25, 1998, for $19.5 million in cash and notes. The sale of Vibratech generated a gain on disposition, while the Strippit sale resulted in a small loss. The proceeds were used to repay borrowings under the Company's U.S. bank credit facilities. In 1998, these two businesses contributed net income of $10.2 million, including a net gain of $9.0 million (net of taxes of $3.1 million) from the sale of these units.

GENERAL ASPECTS APPLICABLE TO THE COMPANY'S BUSINESS GROUPS

COMPETITORS

The Company's businesses are highly competitive in most product lines. Generally, all of the Company's businesses compete on the basis of performance, quality, service and price.

Principal competitors of the businesses in the Pump Products Group are the Blackmer division of Dover Corporation (with respect to rotary gear pumps, and pumps and small horsepower compressors used in liquefied petroleum gas distribution facilities); Milton Roy, a unit of Sundstrand Corporation (with respect to metering pumps and controls); Roper Industries (with respect to rotary gear pumps); Wilden Pump and Engineering Co., a division of Dover Corporation (with respect to air-operated double-diaphragm pumps); Tuthill Corporation (with respect to rotary gear pumps); and Thomas Industries (with respect to vacuum pumps and compressors).

The principal competitors of the Dispensing Equipment Group are Corob (with respect to dispensing and mixing equipment for the paint industry) and Lincoln, a unit of Pentair Corporation (with respect to centralized lubrication systems).

The Other Engineered Products Group's principal competitors are A. J. Gerrard (with respect to stainless steel bands, buckles and tools) and Waterous Company, a subsidiary of American Cast Iron Pipe Company (with respect to truck-mounted fire-fighting pumps).

EMPLOYEES

At December 31, 1998, IDEX had approximately 3,800 employees. Approximately 16% were represented by labor unions with various contracts expiring through March 2003. Management believes that the Company's relationship with its employees is good. The Company has historically been able to satisfactorily renegotiate its collective bargaining agreements, with its last work stoppage in March 1993.

SUPPLIERS

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

INVENTORY AND BACKLOG

Backlogs do not have material significance in any of the Company's business segments. The Company regularly and systematically adjusts production schedules and quantities based on the flow of incoming orders. Backlogs are therefore typically limited to approximately 1 to 1 1/2 months of production. While total inventory levels may also be affected by changes in orders, the Company generally tries to maintain relatively stable inventory levels based on its assessment of the requirements of the various industries served.

SEGMENT INFORMATION

For segment financial information for the years 1998, 1997, and 1996, see the table titled "Company Business Group Financial Information" presented on page 18 under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 10 of the "Notes to Consolidated Financial Statements" on page 30 of the 1998 Annual Report, which is incorporated herein by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT

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

NAME	AGE	YEAR OF SERVICE(1)	POSITION
Donald N. Boyce	60	29	Chairman of the Board, Chief Executive Officer and Director
Frank J. Hansen	57	23	President, Chief Operating Officer and Director
Wayne P. Sayatovic	52	26	Senior Vice President-Finance and Chief Financial Officer
Jerry N. Derck	51	6	Vice President-Human Resources
David T. Windmuller	41	18	Vice President-Operations
James R. Fluharty	55	11	Vice President-Corporate Marketing and Group Executive
Dennis L. Metcalf	51	25	Vice President-Corporate Development
John L. McMurray	48	6	Vice President-Group Executive and President, Viking Pump
Frank J. Notaro	35	1	Vice President-General Counsel and Secretary
Rodney L. Usher	53	18	Vice President-Group Executive and President, Pulsafeeder
Clinton L. Kooman	55	34	Controller
Douglas C. Lennox	46	19	Treasurer

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(1) The years of service for executive officers include the period prior to acquisition by IDEX or with IDEX's predecessor company.

Mr. Boyce was elected Chairman of the Board, President and Chief Executive Officer of the Company on January 22, 1988, the date of the Company's acquisition of its six original operating subsidiaries from Houdaille Industries, Inc. On January 1, 1998, Mr. Hansen assumed the title of President from Mr. Boyce with Mr. Boyce continuing as Chairman of the Board and Chief Executive Officer. In connection with Mr. Boyce's planned retirement on March 31, 1999, the Board named Mr. Hansen to serve as Chief Executive Officer on April 1, 1999, with Mr. Boyce remaining as Chairman of the Board. Mr. Boyce is a director of United Dominion Industries Ltd. and Walter Industries, Inc.

Mr. Hansen was appointed President, Chief Operating Officer and Director of IDEX by the Board on January 1, 1998. In connection with Mr. Boyce's planned retirement on March 31, 1999, Mr. Hansen will serve as Chief Executive Officer effective April 1, 1999. Previously, Mr. Hansen served as Vice President-Operations and Chief Operating Officer from August 1994 to December 1997. Mr. Hansen was Vice President-Group Executive of the Company from January 1993 to July 1994. From 1989 to July 1994, Mr. Hansen was President of Viking Pump. Mr. Hansen is a director of Gardner Denver Machinery, Inc.

Mr. Sayatovic has been Senior Vice President-Finance and Chief Financial Officer of the Company since January 1992 and was Vice President-Treasurer from January 1988 to December 1991. He also served as Secretary from January 1988 to February 1998.

Mr. Derck has been Vice President-Human Resources of the Company since November 1992.

Mr. Windmuller has served as Vice President-Operations of the Company since January 1998. Previously, Mr. Windmuller was President of Fluid Management from January 1997 to December 1997. From July 1994 to December 1996, Mr. Windmuller served as President of Viking Pump, and from May 1993 to June 1994 as Executive Vice President of Viking Pump. Mr. Windmuller served as Vice President-Engineering of Viking Pump from November 1991 to April 1993.

Mr. Fluharty has served as Vice President-Corporate Marketing of the Company since March 1997 and as Vice President-Group Executive since December 1998. He was President of Fluid Management from January 1998 to December 1998 and from April 1996 to February 1997, was President of Micropump. Previously, Mr. Fluharty served as President of John Crane North America from May 1993 to March 1996, as Executive Vice President of Viking Pump from May 1992 to April 1993, and Vice President-Marketing of Viking Pump from 1988 to April 1992.

Mr. Metcalf has served as Vice President-Corporate Development of the Company since March 1997. Mr. Metcalf was Director of Business Development of the Company from March 1991 to February 1997.

Mr. McMurray has been Vice President-Group Executive of the Company since November 1998 and President of Viking Pump since January 1997. He was Executive Vice President of Viking Pump from August 1994 to December 1996, and Vice President Finance of Viking Pump from October 1992 to July 1994.

Mr. Notaro has served as Vice President-General Counsel and Secretary since March 1998. Previously, Mr. Notaro was a Partner of Hodgson, Russ, Andrews, Woods and Goodyear LLP from January 1993 to February 1998.

Mr. Usher has been Vice President-Group Executive of the Company since August 1997 and President of Pulsafeeder since August 1994. From 1986 to July 1994, Mr. Usher served as President of Warren Rupp.

Mr. Kooman has been Controller of the Company since November 1995. Mr. Kooman served as Assistant Controller of Manufacturing Accounting from January 1988 to October 1995.

Mr. Lennox has served as Treasurer of the Company since November 1995. From April 1991 to October 1995, Mr. Lennox was Vice President-Controller of Lubriquip. Mr. Lennox was Assistant Controller of Financial Accounting from January 1988 to March 1991.

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

ITEM 2. PROPERTIES.

The Company's principal plants and offices have an aggregate floor space area of approximately 2.6 million square feet, of which 2.0 million square feet (77%) are located in the U.S. and approximately .6 million (23%) are located outside the U.S., primarily in the U.K. (10%), Germany (6%) and the Netherlands (4%). These facilities are considered to be suitable and adequate for their operations. Management believes that utilization of manufacturing capacity ranges from 50% to 80% in each facility. The Company's executive office occupies approximately 12,000 square feet of leased space in Northbrook, Illinois.

Approximately 2.0 million square feet (77%) of the principal plant and office floor area is owned by the Company, and the balance is held under lease. Approximately 1.5 million square feet (58%) of the principal plant and office floor area is held by business units in the Pump Products Group; .5 million square feet (19%) is held by business units in the Dispensing Equipment Group; and .6 million square feet (23%) is held by business units in the Other Engineered Products Group.

ITEM 3. LEGAL PROCEEDINGS.

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

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

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

PART II

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

Information regarding the prices of, and dividends on, the Common Stock, and certain related matters, is incorporated herein by reference to "Shareholder Information" on page 37 of the 1998 Annual Report.

The principal market for the Common Stock is the New York Stock Exchange, but the Common Stock is also listed on the Chicago Stock Exchange. As of January 29, 1999, the Common Stock was held by approximately 7,700 shareholders and there were 29,463,390 shares of Common Stock outstanding.

ITEM 6. SELECTED FINANCIAL DATA.

The information set forth under "Historical Data" on pages 14 and 15 of the 1998 Annual Report is incorporated herein by reference.

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

The information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16 to 21 of the 1998 Annual Report is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

The Company is subject to market risk associated principally with changes in interest rates and foreign currency exchange rates. Interest rate exposure is principally limited to the $283.4 million of long-term debt of the Company outstanding at December 31, 1998. Approximately one-quarter of the debt is priced at interest rates that float with the market. A 50 basis point movement in the interest rate on the floating rate debt would result in an approximate $350,000 annualized increase or decrease in interest expense and cash flows. The remaining debt is either fixed rate debt or debt that has been essentially fixed through the use of interest rate swaps. The Company will from time to time enter into interest rate swaps on its debt, when it believes there is a clear financial advantage for doing so. A formalized treasury risk management policy, adopted by the Board of Directors, exists which describes the procedures and controls over derivative financial and commodity instruments, including interest rate swaps. Under the policy, the Company does not use derivative financial or commodity instruments for trading purposes and the use of such instruments is subject to strict approval levels by senior officers. Typically, the use of such derivative instruments is limited to interest rate swaps on the Company's outstanding long-term debt. The Company's exposure related to such derivative instruments is, in the aggregate, not material to the Company's financial position, results of operations and cash flows.

The Company's foreign currency exchange rate risk is limited principally to the British Pound Sterling, German Mark, Dutch Guilder and other Western European currencies. The Company manages its foreign exchange risk principally through the invoicing of customers in the same currency as the source of the products. The implementation of the Euro currency as of January 1, 1999 is not expected to materially affect the Company's foreign currency exchange risk profile, although some customers may require the Company to invoice or pay in Euros rather than the functional currency of the manufacturing entity.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements of IDEX, including the Notes thereto, together with the independent auditors' report thereon of Deloitte & Touche LLP on pages 22 to 34 of the 1998 Annual Report are incorporated herein by reference.

During the fourth quarter of 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosures about Segments of an Enterprise and Related Information." Pursuant to SFAS No. 131, IDEX realigned its historical presentation of business segments into three reportable segments: Pump Products, Dispensing Equipment and Other Engineered Products. As additional information, presented below is IDEX's unaudited quarterly group financial information for 1998 and 1997 reflecting the revised reporting structure.

IDEX CORPORATION
COMPANY AND BUSINESS GROUP FINANCIAL INFORMATION
(DOLLARS IN THOUSANDS)

	1998(1)				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR
	(UNAUDITED)				
PUMP PRODUCTS					
Net sales(2)	$ 94,471	$ 99,273	$ 93,049	$ 88,899	$375,692
Operating income(3)	20,625	19,623	17,962	16,602	74,812
Operating margin	21.8%	19.8%	19.3%	18.7%	19.9%
Depreciation and amortization	$ 4,597	$ 5,095	$ 5,145	$ 4,489	$ 19,326
Capital expenditures	2,236	2,920	1,344	2,152	8,652
DISPENSING EQUIPMENT					
Net sales(2)	$ 29,973	$ 33,356	$ 30,759	$ 28,756	$122,844
Operating income(3)	5,333	7,417	6,009	3,724	22,483
Operating margin	17.8%	22.2%	19.5%	13.0%	18.3%
Depreciation and amortization	$ 1,732	$ 1,770	$ 1,796	$ 1,834	$ 7,132
Capital expenditures	629	1,119	1,030	1,222	4,000
OTHER ENGINEERED PRODUCTS					
Net sales(2)	$ 35,392	$ 37,320	$ 36,129	$ 35,163	$144,004
Operating income(3)	5,770	6,222	6,839	5,765	24,596
Operating margin	16.3%	16.7%	18.9%	16.4%	17.1%
Depreciation and amortization	$ 1,569	$ 1,578	$ 1,589	$ 1,539	$ 6,275
Capital expenditures	1,463	1,397	1,404	1,064	5,328
COMPANY					
Net sales	$159,084	$169,461	$159,406	$152,180	$640,131
Operating income	28,392	30,443	27,517	23,191	109,543
Operating margin	17.8%	18.0%	17.3%	15.2%	17.1%
Depreciation and amortization(4)	$ 7,963	$ 8,500	$ 8,588	$ 7,884	$ 32,935
Capital expenditures	7,096	5,446	3,778	4,443	20,763

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See page 9 for note explanations.

IDEX CORPORATION
COMPANY AND BUSINESS GROUP FINANCIAL INFORMATION
(DOLLARS IN THOUSANDS)

	1997(5) FIRST QUARTER (UNAUDITED)	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR
PUMP PRODUCTS					
Net sales(2)	$ 64,947	$ 65,612	$ 68,274	$ 67,085	$265,918
Operating income(3)	15,452	14,500	15,397	16,094	61,443
Operating margin	23.8%	22.1%	22.6%	24.0%	23.1%
Depreciation and amortization	$ 2,624	$ 2,708	$ 2,654	$ 2,207	$ 10,193
Capital expenditures	1,261	2,150	1,848	1,616	6,875
DISPENSING EQUIPMENT					
Net sales(2)	$ 31,043	$ 35,527	$ 37,009	$ 34,623	$138,202
Operating income(3)	4,849	7,410	7,017	6,360	25,636
Operating margin	15.6%	20.9%	19.0%	18.4%	18.5%
Depreciation and amortization	$ 1,690	$ 1,860	$ 1,756	$ 1,786	$ 7,092
Capital expenditures	789	577	515	1,119	3,000
OTHER ENGINEERED PRODUCTS					
Net sales(2)	$ 35,904	$ 40,785	$ 37,773	$ 35,993	$150,455
Operating income(3)	6,008	6,884	6,912	6,622	26,426
Operating margin	16.7%	16.9%	18.3%	18.4%	17.6%
Depreciation and amortization	$ 1,703	$ 1,800	$ 1,892	$ 1,521	$ 6,916
Capital expenditures	466	708	931	1,213	3,318
COMPANY					
Net sales	$131,375	$141,976	$141,799	$137,013	$552,163
Operating income	23,966	25,966	26,568	27,095	103,595
Operating margin	18.2%	18.3%	18.7%	19.8%	18.8%
Depreciation and amortization(4)	$ 6,024	$ 6,413	$ 6,377	$ 5,479	$ 24,293
Capital expenditures	2,521	3,709	3,347	3,985	13,562

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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.

(2) Group net sales include intersegment sales.

(3) Group operating income excludes unallocated corporate operating expenses.

(4) Excludes amortization of debt issuance expenses.

(5) Includes acquisition of Knight Equipment (December 9, 1997) and Blagdon Pump (April 4, 1997) in the Pump Products Group.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Certain information regarding the directors of the Company is incorporated herein by reference to the information set forth under the caption "Election of Directors" in the 1999 Proxy Statement.

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

Certain information regarding compliance with Section 16(a) of the Securities and Exchange Act of 1934, as amended, is incorporated herein by reference to the information set forth under "Compliance with Section 16(a) of the Exchange Act" in the 1999 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is incorporated herein by reference to the materials under the caption "Compensation of Executive Officers" in the 1999 Proxy Statement.

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

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference set forth under the caption "Security Ownership" in the 1999 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information regarding certain relationships and related transactions is incorporated herein by reference to the information set forth under the caption "Certain Interests" in the 1999 Proxy Statement.

PART IV

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

(A) 1. Financial Statements

The following financial statements are incorporated herein by reference to the 1998 Annual Report.

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements of IDEX or the Notes thereto.

3. Exhibits

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

(B) Report on Form 8-K

In a report on Form 8-K, dated December 21, 1998, and filed with the Securities Exchange Commission on December 21, 1998, the Company announced that Donald N. Boyce, Chairman and Chief Executive Officer, plans to retire as Chief Executive Officer as of March 31, 1999, but will remain as Chairman of the Company's Board of Directors. Mr. Boyce, 60, has been the Chief Executive Officer of IDEX since its founding in 1988 and was previously Chief Executive Officer of IDEX's predecessor, Houdaille Industries, Inc.

Frank J. Hansen, 57, currently President and Chief Operating Officer, will be named President and Chief Executive Officer as of April 1, 1999. The position of Chief Operating Officer will remain unfilled for the present time. Mr. Hansen joined IDEX's Viking Pump business unit in 1975 and held several management positions there prior to being named President of Viking Pump in 1989. He became an IDEX Vice President-Group Executive in 1993, was named Senior Vice President-Operations in 1994, and assumed the positions of President and Chief Operating Officer in January 1998.

INDEPENDENT AUDITORS' REPORT

IDEX Corporation:

We have audited the consolidated financial statements of IDEX Corporation and its Subsidiaries as of December 31, 1998 and 1997 and for each of the three years in the period ended December 31, 1998, and have issued our report thereon, dated January 19, 1999: such financial statements and report are included in your 1998 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the financial statement schedule of IDEX Corporation, listed in Item 14. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements as a whole, presents fairly, in all material respects, the information set forth herein.

DELOITTE & TOUCHE LLP

Chicago, Illinois
January 19, 1999

IDEX CORPORATION AND SUBSIDIARIES
SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1998, 1997, AND 1996

DESCRIPTION	BALANCE BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	DEDUCTIONS (1)	OTHER(2)	BALANCE END OF YEAR
			(IN THOUSANDS)		
Year Ended December 31, 1998:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts........	$2,561	$ 665	$1,060	$318	$2,484
Year Ended December 31, 1997:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts........	2,111	1,315	1,083	218	2,561
Year Ended December 31, 1996:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts........	1,820	1,302	1,325	314	2,111

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(1) Represents uncollectible accounts, net of recoveries.

(2) Represents acquisition, translation and reclassification adjustments.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 5th day of February, 1999.

IDEX CORPORATION

By /s/ WAYNE P. SAYATOVIC

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

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

SIGNATURE	TITLE	DATE
/s/ DONALD N. BOYCE Donald N. Boyce	Chairman of the Board, Chief Executive Officer (Principal Executive Officer) and Director	February 5, 1999
/s/ FRANK J. HANSEN Frank J. Hansen	President, Chief Operating Officer and Director	February 5, 1999
/s/ WAYNE P. SAYATOVIC Wayne P. Sayatovic	Senior Vice President -- Finance and Chief Financial Officer (Principal Financial and Accounting Officer)	February 5, 1999
/s/ RICHARD E. HEATH Richard E. Heath	Director	February 5, 1999
/s/ HENRY R. KRAVIS Henry R. Kravis	Director	February 5, 1999
/s/ WILLIAM H. LUERS William H. Luers	Director	February 5, 1999
/s/ PAUL E. RAETHER Paul E. Raether	Director	February 5, 1999
/s/ CLIFTON S. ROBBINS Clifton S. Robbins	Director	February 5, 1999
/s/ GEORGE R. ROBERTS George R. Roberts	Director	February 5, 1999
/s/ NEIL A. SPRINGER Neil A. Springer	Director	February 5, 1999
/s/ MICHAEL T. TOKARZ Michael T. Tokarz	Director	February 5, 1999

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 No. 2.1 to the IDEX 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 on 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 on 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 of April 11, 1997 (incorporated by reference to Exhibit No. 4.5 (a) to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, Commission File No. 1-10235)..	
4.5(b)	Second Amendment to the Third Amended and Restated Credit Agreement dated as of January 20, 1998 (incorporated by reference to Exhibit No. 4.5 (b) to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, Commission File No. 1-10235)..	

EXHIBIT NUMBER	DESCRIPTION	PAGE
4.5(c)	Third Amendment to the Third Amended and Restated Credit Agreement dated as of February 9, 1998 (incorporated by reference to Exhibit No. 4.5 (c) to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, Commission File No. 1-10235)...	
4.5(d)	Fourth Amendment to the Third Amended and Restated Credit Agreement dated as of April 3, 1998 (incorporated by reference to Exhibit No. 4.5 (d) to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, Commission File No. 1-10235)...	
**10.1	Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.15 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989)...	
**10.1(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.5(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235)..	
**10.1(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.5(b) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235)..	
**10.1(c)	Third Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated December 19, 1997 (incorporated by reference to Exhibit No. 10.1(c) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1997, Commission File No. 1-10235)..	
**10.2	Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.17 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989)...	
**10.2(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235)..	
**10.2(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.6(b) to Amendment No. 1 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235)...............................	
**10.3	Employment Agreement between IDEX Corporation and Frank J. Hansen dated as of August 1, 1994 (incorporated by reference to Exhibit No. 10.7 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended September 30, 1994, Commission File No. 1-10235)...	
**10.3(a)	First Amendment to the Employment Agreement between IDEX Corporation and Frank J. Hansen, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235)............	

EXHIBIT NUMBER	DESCRIPTION	PAGE
**10.3(b)	Amended and Restated Employment Agreement between IDEX Corporation and Frank J. Hansen, dated December 19, 1997 (incorporated by reference to Exhibit No. 10.3(b) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1997, Commission File No. 1-10235).............	
**10.3(c)*	Amended and Restated Employment Agreement between IDEX Corporation and Frank J. Hansen, dated December 23, 1998....	
**10.4	Employment Agreement between IDEX Corporation and Jerry N. Derck dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.8 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235)...............................	
**10.5	Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.21 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989)........	
**10.5(a)	Amended Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.9(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235)...............................	
**10.6	Form of Indemnification Agreement (incorporated by reference to Exhibit No. 10.23 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on April 26, 1989)..	
**10.7	Form of Shareholder Purchase and Sale Agreement (incorporated by reference to Exhibit No. 10.24 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989)...	
**10.8	Revised Form of IDEX Corporation Stock Option Plan for Outside Directors (incorporated reference to Exhibit No. 10.22 to Post-Effective Amendment No. 4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on March 2, 1990).......	
**10.9	Amendment to the IDEX Corporation Stock Option Plan for Outside Directors adopted by resolution to the Board of Directors dated as of January 28, 1992 (incorporated by reference to Exhibit No. 10.21(a) of the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 10-10235)..............................	
**10.10	Non-Qualified Stock Option Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 10.15 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351)..	
**10.10(a)	1996 Stock Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 4.5 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996)...............	
**10.11	Non-Qualified Stock Option Plan for Officers of IDEX Corporation (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351)............	
**10.12	IDEX Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351)............	
**10.13	1996 Stock Plan for Officers of IDEX (incorporated by reference to Exhibit No. 4.4 to the Registration Statement on Form S-8 of IDEX Registration No. 333-18643, as filed on December 23, 1996)..	

EXHIBIT NUMBER	DESCRIPTION	PAGE
**10.14	Amended and Restated IDEX Corporation Directors Deferred Compensation Plan, as amended (incorporated by reference to Exhibit No. 4.6 to the Registration Statement on Form S-8 of IDEX Registration No. 333-18643, as filed on December 23, 1996)..	
**10.14(a)	Second Amended and Restated IDEX Corporation Directors Deferred Compensation Plan, dated December 16, 1997 (incorporated by reference to Exhibit No. 10.14(b) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1997, Commission File No. 1-10235).............	
**10.15	IDEX Corporation 1996 Deferred Compensation Plan for Officers, as amended (incorporated by reference to Exhibit No. 4.8 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996)..	
**10.16	IDEX Corporation 1996 Deferred Compensation Plan for Non-Officer Presidents, as amended (incorporated by reference to Exhibit No. 4.7 to the Registration Statement on Form S-8 of IDEX, Registrant No. 333-18643, as filed on December 23, 1996)...	
*13	1998 Annual Report to Shareholders of IDEX..................	
*21	Subsidiaries of IDEX..	
*24	Consent of Deloitte & Touche LLP............................	
*27	Financial Data Schedule.....................................	
	Revolving Credit Facility, dated as of September 29, 1995, between Dunja Verwaltungsgesellschaft GmbH and Bank of America NT & SA, Frankfurt Branch (a copy of the agreement will be furnished to the Commission upon request)...........	

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* Filed herewith.

** Management contract or compensatory plan or agreement.

AMENDED AND RESTATED

EMPLOYMENT AGREEMENT

between

IDEX CORPORATION

and

FRANK J. HANSEN

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AGREEMENT, made as of the ____ day of December, 1998, between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 ("IDEX"), and FRANK J. HANSEN, 1716 Mulberry Drive, Libertyville, Illinois 60048 (the "Executive").

IDEX and the Executive entered into an Employment Agreement dated as of August 1, 1994 and subsequently amended as of September 27, 1994, amended and restated in its entirety as of November 22, 1996, further amended and restated in its entirety as of January 1, 1998, and further amended as of January 1, 1998. The parties now wish to modify certain provisions of the Employment Agreement and to restate the Employment Agreement in its entirety as modified. Therefore, IDEX and the Executive agree as follows:

1. Introductory statement. The Executive has previously served as President of Viking Pump, Inc., a business unit of IDEX Corporation, and as Vice President-Group Executive and Senior Vice President-Operations of IDEX Corporation ("IDEX"). IDEX desires to secure the full-time services of the Executive as President and Chief Operating Officer effective as of January 1, 1998, until at least December 31, 2001, on the terms and conditions as provided in this Agreement. The Executive is willing to execute this Agreement with respect to his employment upon the terms and conditions set forth in this Agreement.

2. Agreement of employment. IDEX agrees to, and hereby does, employ the Executive, and the Executive agrees to, and hereby does accept, employment by IDEX (hereafter, the "Corporation"), as President and Chief Operating Officer of the Corporation, subject to the provisions of the by-laws of the Corporation in respect of the duties and responsibilities assigned from time to time by the Chief Executive Officer of the Corporation, if the Executive is not serving as Chief Executive Officer, and subject also at all times to the control of the Board of Directors of the Corporation.

The Executive has been elected to be a member of the Board of Directors as of January 1, 1998. Subject to election by the shareholders of the Corporation at annual meetings, it is contemplated that the Executive will continue to be elected to be a member of the Board of Directors. Further, subject to election by the Board of Directors in the exercise of its judgment, it is contemplated that the Executive will continue to be elected to the position of President and Chief Operating Officer and will be elected to the position of Chief Executive Officer as of April 1, 1999.

The Corporation shall not require the Executive to perform services hereunder away from the Chicago, Illinois area of such frequency and duration as would necessitate, in the reasonable judgment of the Executive, the Executive moving his residence from the Chicago, Illinois area.

3. Executive's obligations; vacations; automobile. During the period of his full-time service under this Agreement, the Executive shall devote substantially all of his time and energies during business hours to the supervision and conduct, faithfully and to the best of his ability, of the business and affairs of the Corporation, and to the furtherance of its interests, and shall not accept other gainful employment except with the prior consent of the Chief Executive Officer of the Corporation or, if the Executive is serving as Chief Executive Officer, prior consent of the Board of Directors of the Corporation. With the approval of the Chief Executive Officer of the Corporation, or, if the Executive is serving as Chief Executive Officer, prior consent of the Board of Directors of the Corporation, the Executive may become a director, trustee or other fiduciary of other corporations, trusts or entities. The Executive may take five weeks vacation each year with pay. The Corporation shall furnish and maintain an automobile for the use of the Executive consistent with the policy of the Corporation in effect at any time; provided, however, that at no time shall the policy of the Corporation be materially less generous than that in effect as of January 1, 1998.

4. Compensation.

4(a) Annual salary. The Corporation shall pay to the Executive for his services under this Agreement a salary at the rate of $330,000 per year commencing as of January 1, 1999, payable in equal monthly installments, and continuing during the period of his full-time service hereunder. If the Executive shall be elected to serve as Chief Executive Officer, his salary shall be at the rate of $440,000 per year commencing as of April 1, 1999. The Corporation shall in good faith review the salary of the Executive, on an annual basis, with a view to consideration of appropriate increases in such salary. If the Executive dies during the period of his full-time service hereunder, service for any part of the month of his death shall be considered service for the entire month.

4(b) Bonus. The Executive shall be entitled to receive an annual cash bonus from the Corporation calculated pursuant to the Corporation's management incentive compensation program (the "MICP") in effect from time to time, but in an amount not less than would result if such bonus were calculated pursuant to the Corporation's management incentive compensation program in effect on January 1, 1998. The Board of Directors of the Corporation, in its discretion, may award bonuses to the Executive in addition to those provided for above, as it may from time to time determine. The Target Incentive Amount for the Executive with respect to any calculation of bonus shall be at least 75% of his base salary as of the end of the fiscal period of the Corporation for which the bonus is calculated. Notwithstanding the foregoing sentence, if the Executive shall be elected to serve as Chief Executive Officer, the Target Incentive Amount for the Executive for the period January 1, 1999 through March 31, 1999 shall be 75% of his base salary and the Target Incentive Amount shall be 80% of his base salary for the period from April 1, 1999 to the end of the 1999 fiscal period of the Corporation and for subsequent fiscal periods of the Corporation.

5. Period of service and benefits.

5(a) Period of full-time service. The period of full-time service of the Executive under this Agreement shall continue to December 31, 2001, and for successive 12 month periods thereafter; provided, however, that the Corporation may terminate at any time the full-time service of the Executive hereunder by delivering written notice of termination to the Executive at least three months prior to the effective date of such termination, or the Executive may resign and terminate his full-time service hereunder at any time (i) if the Corporation does not retain him in the positions of President, Chief Operating Officer and, if elected to serve as Chief Executive Officer, Chief Executive Officer or if the Executive's scope of duties hereunder is significantly reduced, (ii) at any time within the 24-month period following an Acquisition (as hereinafter defined), liquidation or dissolution of the Corporation, or (iii) if the services required to be performed by the Executive would necessitate, in the reasonable judgment of the Executive, the Executive's moving his residence from the Chicago, Illinois area by delivering written notice of his intention to resign to the Corporation at least three months prior to the effective date of such resignation.

In the event of termination of the Executive by the Corporation, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of termination for a continuing period of 24 months beginning with that month next following the month during which he ceases to be actively employed. In the event of the Executive's death, the balance of the continuing salary payments shall be made to his wife, if surviving, or if not, to his estate in addition to any and all other benefits payable under this Agreement upon his death.

In the event of resignation by the Executive as permitted under the first paragraph of this Section 5(a), the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of resignation for a continuing period of 24 months beginning with that next month following the month during which he ceases to be actively employed. In the event of the Executive's death, in addition to any and all other benefits payable under this Agreement upon his death, the balance of the continuing salary payments shall be made to his wife, if surviving, or if not, to his estate.

Except as otherwise provided in Section 5(c)(4), continuing fringe benefits under this Section 5(a) shall be reduced to the extent of any fringe benefits provided by and available to the Executive from any subsequent employer but shall not be limited by the terms of any such fringe benefit of a subsequent employer.

In the event of termination of the Executive by the Corporation, the Executive's death or disability, or resignation by the Executive as permitted under the first paragraph of this Section 5(a), the Executive or his estate shall receive a cash bonus for the entire fiscal year in which such termination, death, or resignation occurs or disability commences. Such bonus shall be calculated in accordance with the management incentive compensation program of the Corporation in effect from time to time and shall in no event be less than the full target amount for the Executive for such fiscal year. If no policy of the Corporation then exists with regard to calculation and payment of bonuses, the bonus shall be calculated and paid in accordance with the policy of the Corporation in effect as of January 1, 1999.

In addition, in the event of termination of the Executive by the Corporation, the Executive's death or disability, or the resignation by the Executive (whether or not permitted under the first paragraph of this Section 5(a)), the Executive shall receive payment for accrued but unused vacation, which payment shall be equitably prorated based on the period of active employment for that portion of the fiscal year in which the termination or resignation becomes effective, death occurs, or disability commences, plus payment for accrued but unused vacation for the prior fiscal year. Payment for accrued but unused vacation shall be payable in one lump sum on the effective date of termination or resignation, the date of death (or as soon thereafter as practicable) or the date disability commences.

In the event of termination of the Executive by the Corporation or resignation by the Executive as permitted under the first paragraph of this Section 5(a) within 24 months following an "Acquisition" of the Corporation (as hereinafter defined), the benefits to be provided to the Executive upon such termination, regardless of the continued effectiveness of this Agreement or of the provisions of this Section 5(a), shall be in an amount and character not less generous than the benefits payable upon a termination of the Executive by the Corporation as set forth in this Section 5(a). Further, upon such a termination, in determining the bonus to be paid to the Executive under this Section 5(a), he shall receive (i) a full year's bonus under the MICP at the Target Incentive Amount in effect on the date of termination, or, if greater, at the time of the Acquisition plus (ii) a proportionate bonus under the MICP determined by multiplying the amount determined under (i) by a fraction, the numerator of which is the number of whole calendar months in the calendar year preceding the date of termination, and the denominator of which is 12.

For purposes of this Agreement, an "Acquisition" means (I) any transaction or series of transactions which within a 12-month period constitute a change of control where (i) at least 51 percent of the then outstanding common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof), redeemed by the Corporation or purchased by an person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor, or (II) any substantial equivalent of any such redemption, purchase, exchange,

change, transaction or series of transactions, merger or consolidation, constituting such change of control. For purposes of this paragraph, the term "control" shall have the meaning ascribed thereto under the Securities Exchange Act of 1934, as amended, and the regulations thereunder. For purposes of clause (I)(ii) above or as appropriate for purposes of clause (II) above, the Corporation 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.

The benefits provided for under this section shall be in lieu of, and not in addition to, any and all benefits to which the Executive may be entitled under any bonus or severance program or policy adopted by the Corporation from time to time unless otherwise expressly stated therein.

5(b)(1) Death benefit. If the Executive dies during the period of his full-time service hereunder, his wife, if surviving, or if not, his estate shall be entitled to receive his full annual salary in effect on the date of his death for a continuing period of 18 months commencing on the first day of the month immediately following the date of his death.

5(b)(2) Disability benefits. In the event the Executive ceases to be actively employed by the Corporation for any reason during any period of his disability, he shall be entitled to receive (i) his full annual salary in effect on the date he ceased to be employed for a continuing period of 18 months from the date he ceases to be employed by the Corporation, and (ii) the fringe benefits provided by the Corporation under its executive disability policy in effect on the date he ceases to be employed.

5(b)(3) Determination of disability. Any question as to the existence, extent or potentiality of disability of the Executive upon which the Executive and the Corporation cannot agree shall be determined by a qualified independent physician selected by the Executive and reasonably acceptable to the Corporation (or, if the Executive is unable to make such selection, it shall be made by any adult member of his immediate family). For the purpose of this Agreement, "disability" shall mean a disability which is, or has the potential to become, total and permanent and because of which the Executive is or may become physically or mentally unable to substantially perform his regular duties as President or Chief Operating Officer of the Corporation, as the case may be. The determination of such physician made in writing to the Corporation and to the Executive shall be final and conclusive for all purposes of this Agreement. In the event of his disability, the Executive shall cease to be employed on the last day of the month in which the Executive's disability is determined by written agreement of the Executive and the Corporation or the written determination of a physician, as the case may be.

5(c)(1) Retirement compensation and obligations. Upon the retirement or resignation of the Executive or upon his termination from full-time service with the Corporation, in either case pursuant to the provisions of this Section 5 hereof, the full-time service obligations of the Executive and the Corporation to each other under Sections 2, 3 and 4 hereof shall cease, and the Executive shall be entitled to receive benefits and compensation as specified in the preceding provisions of this Section 5.

5(c)(2) Guarantee of pension benefits. In addition to the compensation otherwise provided herein, the Executive and his beneficiaries shall be entitled to receive the retirement and death benefits they would receive at the times and under such optional arrangements as the Executive is entitled to under the terms of any defined benefit retirement or pension plan adopted and implemented by the Corporation for its executive office employees in effect at the date of the Executive's retirement, resignation or termination (for whatever reason) from full-time service with the Corporation or at any time during the Executive's service with the Corporation (any such plan is referred to hereafter as the "Plan") (such Plan shall include a lump sum option) pursuant to the Plan provisions as in effect at the point in time during the Executive's employment at which the Plan would provide the greatest benefits for the Executive and his beneficiaries and, in addition, the greatest latitude in choice of options (including, but not limited to, a lump sum option), but in any event computed without reference to (i) any restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations; (ii) any restrictions in the Plan upon the maximum contributions to the Plan or upon the maximum benefits payable under the Plan, as the case may be, pursuant to Section 415 of the Internal Revenue Code of 1986, as in effect at such point in time (the "Code"); (iii) any limitations on the amount of the

Executive's compensation that may be taken into account under the Plan pursuant to Section 401(a)(17) of the Code or any successor section; (iv) the limitations on compensation that would exclude any income attributable to the exercise of the nonqualified stock options granted in replacement of Equity Appreciation Rights granted under the First Restatement of the Amended and Restated 1988 Equity Appreciation Rights Plan or the 1989 Equity Appreciation Rights Plan (hereafter the "EAR Plans"); (v) for purposes of determining eligibility for a lump sum distribution, any condition under the Plan considered necessary to receive a lump sum distribution, such as the submission of medical evidence of reasonable health of the Participant or the meeting of a specified age or service requirement (in other words the lump sum distribution shall be an election solely in the discretion of the Executive); or (vi) any other restriction on the Executive's benefits as determined under the Plan pursuant to the Code, to the Employee Retirement Income Security Act of 1974, as in effect at such point in time ("ERISA") or to any other law affecting the determination of such benefits. However, except as specifically described otherwise in the preceding sentence, all calculations pursuant to this Section 5(c)(2) of benefits shall be made on the basis of the actual years of service to the Corporation, including any Affiliated Corporation and Company as defined under the Plan, and actual compensation of the Executive taken into account under the applicable Plan provisions. In calculating the Executive's compensation and years of service to the Corporation under the Plan for purposes of benefit accrual and to determine active employment on any date relevant for any purpose under the Plan, compensation shall be deemed to include amounts termed severance (including, without limitation, amounts paid pursuant to Section 5(a)) and service shall be deemed to include the periods for which the Executive receives such payments termed severance (based on the period over which the severance amount would have been paid if paid as compensation over the entire period as to which severance is calculated) even if such amount is paid as a lump sum settlement. To the extent that the benefits to which the Executive or his beneficiaries are entitled under this Section 5(c)(2) are not paid from the Trust under the Plan or from the IDEX Corporation Supplemental Executive Retirement Plan, the Corporation shall pay such benefits directly from its general assets.

If payments are being made, pursuant to this Section 5(c)(2), in the form of an annuity or other periodic form of distribution, and the portion of the total amount to be paid from the Trust under the Plan shall thereafter be reduced after the date such payments have been determined pursuant to the preceding paragraph, by virtue of the operation of restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason other than the operation of the provisions of the optional form selected under the Plan, the Corporation shall increase, in an amount equal to any such reduction, the amount of the benefit under this Section 5(c)(2) which is to be paid directly from its general assets, and such increase shall be prorated over the remaining payments or used to recalculate the annuity payments, as the case may be.

If payments are being made or have been made in full, pursuant to this Section 5(c)(2), but the Executive or any of his beneficiaries is required to make a payment to the Trustee under the Plan (whether in the form of a loss of collateral, interest on such collateral or otherwise) as the result of the application of the restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason, the Corporation shall reimburse the Executive or his beneficiaries, as the case may be, directly from its general assets, for each such payment to the Trustee, and if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such a payment and/or if such payment would result in the imposition of any penalty tax because of such repayment, then the amount of such reimbursement shall be increased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such reimbursement, the Executive or his beneficiaries retain an amount from the Corporation approximately equal to the amount repaid to the Trustee.

In the event (I) the Executive requests a lump sum distribution from the Trustee or Committee under the Plan and is denied the request, regardless of the reason for the denial, or (II) (i) if the Plan is amended to eliminate the lump sum distribution option on future benefit accruals or (ii) the Executive is not otherwise entitled to a lump sum distribution under the

Plan terms and, in the case of (i) or (ii), the Executive states in writing to the Corporation at any time prior to the Executive or his beneficiaries receiving a benefit under the Plan that he otherwise would have requested the lump sum distribution option, the Corporation shall pay the Executive, or his beneficiaries, as the case may be, in cash in a single lump sum benefit, an amount equal to the benefit hereinbefore determined less any amount received by the Executive or his beneficiaries from the Plan directly or indirectly in a single payment, regardless of the form of payment in which the benefit is being paid or is to be paid under the Plan. In the case of a benefit provided under this paragraph, the Corporation shall pay the Executive or his beneficiaries an additional amount in cash in a single lump sum payment such that after payment by the Executive or his beneficiaries of all federal, state, and/or local income taxes (including, without limitation, any interest or penalties imposed with respect to such taxes) imposed upon such single lump sum payment, the Executive or his beneficiaries retain an amount that would have been retained by him or them (without regard to any limitations as described in the first paragraph of this Section 5(c)(2)) had he or they directly rolled the amount from the Plan into an individual retirement account. If the Executive or his beneficiaries receive the single lump sum payment from the Corporation under this paragraph, the Executive and his beneficiaries agree to waive and/or return to the Corporation all benefits to him or them that he or they subsequently receive from the Plan. Notwithstanding the preceding sentence, if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such benefits and/or if such benefits would result in the imposition of any penalty tax because of such repayment, then the amount of such waiver and/or return to the Corporation shall be decreased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such waiver and/or return, the Executive or his beneficiaries incur no net expense from such benefits he or they subsequently receive from the Plan. For purposes of this Section, beneficiaries means the beneficiaries as determined under the Plan.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of any Plan, compensation shall include in any year any amount otherwise excluded from compensation in such year as a result of an election to defer income made pursuant to the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers and shall exclude in any year any amount that would otherwise be included in compensation in a year which relates to an amount deferred in a prior year under the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of the Plan, the following rules shall apply:

(a) In computing average compensation for purposes of any benefit formula under the Plan, compensation shall not include any income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement for Equity Appreciation Rights under the EAR Plans at any time.

(b) An additional benefit under this Section 5(c)(2) shall be payable in an amount equal to the benefit accrued at the rate provided in the Plan's career average formula applied to the income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement of Equity Appreciation Rights under the EAR Plans at any time.

5(c)(3) Supplemental retirement compensation.

(i) If the Executive ceases to be actively employed by the Corporation upon resignation, termination, death or disability on or after December 31, 2002, or is receiving continuing salary payments or disability payments on or after December 31, 2002, pursuant to Section 5(a) or Section 5(b)(2), respectively, the Executive shall be entitled to receive, in addition to the other benefits and compensation specified in this Section 5 and commencing upon completion of the continuing salary payments provided for in Section 5(a) and Section 5(b)(2) of up to 24 or 18 months, respectively, (and excluding any salary payments pursuant to fringe benefit plans), supplemental retirement compensation at the annual rate of 40% of his Adjusted Salary (as that term is defined under 5(c)(3)(v) below) calculated as of the date he ceases to be employed by the Corporation. Such supplemental retirement compensation shall be paid in equal monthly installments and such payments of supplemental retirement compensation shall continue for a period of three years from the date continuing salary payments under Section 5(a) and Section 5(b)(2) cease. Regardless of the Executive's death prior to or after commencement of benefits under this paragraph, the benefits provided for in this paragraph shall be paid to him, his wife, if surviving, or his estate, as the case may be.

(ii) If the Executive ceases to be actively employed by the Corporation upon resignation, termination or disability other than death (unless the election under (iii) below is in effect on the date of the Executive's death) on or after December 31, 2002, or is receiving continuing salary payments or disability payments on or after December 31, 2002, pursuant to Section 5(a) or Section 5(b)(2), respectively, the Executive shall also be entitled to receive, in addition to the other benefits and compensation specified in this Section 5, supplemental retirement compensation at the annual rate of 20% of his Adjusted Salary. Such supplemental retirement compensation shall be paid in equal monthly installments commencing on the first day of the month next following the last payment under Section 5(c)(3)(i) and shall continue for the remainder of his life.

(iii) If the Executive's spouse is surviving on the date that the benefits under (i) commence, the Executive hereby elects in lieu of his benefits under (i) or (ii) above, an actuarially equivalent joint and 50% surviving spouse annuity calculated using the actuarial assumptions under the Plan; provided, however, that he reserves the right to revoke such election at any time prior to the commencement of payment of the benefits under (i); said spouse's consent shall not be required for such revocation. If such election is effective on the date of the Executive's death, any benefit payable pursuant to Section 5(c)(3)(i) and (ii) shall commence immediately upon the date of his death notwithstanding any other death benefits payable under this Agreement.

(iv) Notwithstanding any provision in this Section 5(c)(3) to the contrary, if the Executive ceases to be actively employed by the Corporation due to resignation, termination, death or disability prior to January 1, 2003, but on or after December 31, 2001, then payments under Section 5(c)(3)(i) or Section 5(c)(3)(ii) shall be made in an amount adjusted so that the present value of benefit payments at the date of commencement is equivalent to the present value of the benefits payable if benefit payments commenced at the time they otherwise would have commenced if the Executive actually ceased to be actively employed on December 31, 2002, using an interest rate and mortality factor of one-half percent (1/2%) per month without compounding.

(v) For purposes of this Agreement, the term Adjusted Salary shall mean the highest base salary paid to the Executive at any time during the term of this Agreement.

5(c)(4) Medical benefits. The Executive and/or his wife, as the case may be, shall be entitled to prompt reimbursement for all medical, dental, hospitalization, convalescent, nursing, extended care facilities (including, without limitation, long term care facilities such as convalescent and nursing homes) and similar health and welfare expenses incurred by the Executive (or by his wife in the event of the Executive's death or disability) for the Executive or for the benefit of his wife or other dependents (hereinafter collectively referred to as "medical benefits"). Such medical benefits shall continue at all times while the Executive is employed by the Corporation, and thereafter for the remainder of his life or the life of his wife, whichever shall be the longer time. The Corporation may, in its discretion, insure such medical benefits; provided, however, that such benefits shall not be affected by the existence or non-existence of any available insurance from any source, shall not be limited by the terms of any such insurance or the failure of any insurer to meet its obligations thereunder, shall not limit the Executive or his wife or other dependents in the choice of any physician, medical care facility or type of medical expenses in any way, and, except as provided in the following sentence, shall not be affected by the availability of any medical benefits provided by and available to the Executive from any subsequent employer. Such medical benefits shall be reduced to the extent of any medical benefits actually available and actually provided by any subsequent employer to the Executive, his wife, or other dependents only until the commencement of his 60th year if he ceases to be employed by the Corporation as a result of his resignation or retirement prior to the commencement of his 60th year. Without limiting the foregoing, there shall be no such offset in the event of:

(a) termination for any reason after commencement of the Executive's 60th year,

(b) resignation permitted under the first paragraph of Section 5(a),

(c) involuntary termination following an Acquisition, or

(d) the death or disability of the Executive while in the active employment of the Corporation.

In any case such reduction in medical benefits shall be only to the extent of any medical benefits actually provided by and actually available to the Executive (and/or his wife or other dependents) from any subsequent employer without cost to the Executive (and/or his wife or other dependents) or subject to full reimbursement of any such cost by the Corporation to the Executive (and/or his wife or other dependents), but shall not be limited by the terms of any such insurance or reimbursement. For purposes of this Agreement, the term "medical expenses" shall include, but not be limited to, prescription drugs, prosthetics, optical care (including corrective lenses) and travel and lodging associated with medical expenses, with the selection of medical providers and institutions and related travel and lodging to be solely in the discretion of the Executive (and/or his wife or other dependents).

5(d) Confidentiality agreement. During the course of his employment, the Executive has had and will have access to confidential information relating to the lines of business of the Corporation, its trade secrets, marketing techniques, technical and cost data, information concerning customers and suppliers, information relating to product lines, and other valuable and confidential information relating to the business operations of the Corporation not generally available to the public (the "Confidential Information"). The parties hereby acknowledge that any unauthorized disclosure or misuse of the Confidential Information could cause irreparable damage to the Corporation. The parties also agree that covenants by the Executive not to make unauthorized use or disclosures of the Confidential Information are essential to the growth and stability of the business of the Corporation. Accordingly, the Executive agrees to the confidentiality covenants set forth in this section.

The Executive agrees that, except as required by his duties with the Corporation or as authorized by the Corporation in writing, he will not use or disclose to anyone at any time, regardless of whether before or after the Executive ceases to be employed by the Corporation, any of the Confidential Information obtained by him in the course of his employment with the Corporation.

The Executive agrees that since irreparable damage could result from his breach of the covenants in this Section 5(d) of this Agreement, in addition to any and all other remedies available to the Corporation, the Corporation shall have the remedies of a restraining order, injunction or other equitable relief to enforce the provisions thereof. The Employee consents to jurisdiction in Lake County, Illinois on the date of the commencement of any action for purposes of any claims under this Section 5(d). In addition, the Executive agrees that the issues in any action brought under this section will be limited to claims under this section, and all other claims or counterclaims under other provisions of this Agreement will be excluded.

5(e). Cost of living adjustments. All payments under Sections 5(c)(3)(i) and (ii) hereof shall be appropriately increased at such time as the Corporation shall first become obligated to make such payments, and at the beginning of each year thereafter, in proportion to the amount, if any, by which the Consumer Price Index (the "CPI") for the then most recently reported month exceeds the CPI as of the month and year of the date the Executive ceased to be employed. The CPI to be used hereunder shall be the CPI for All Urban Consumers (CPI-U) (All Cities, All Items, 1982-84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor. In the event of any substantial change in the composition of the CPI to be used hereunder or in the event of discontinuance or termination of such index, the most appropriate available price index shall be substituted and utilized hereunder.

6. Compensation under this Agreement not exclusive. Except as expressly stated to the contrary in this Agreement, the compensation and benefits payable by the Corporation to the Executive under the provisions of this Agreement shall be in addition to and separate and apart from such additional compensation or incentives and such retirement,

disability or other benefits as the Executive may be entitled to under any present or future extra compensation or bonus plan, stock option plan, share purchase agreement, pension plan, disability insurance plan, medical insurance plan, life insurance program, or other plan or arrangement of the Corporation established for its executives or employees, and the provisions of this Agreement shall not affect any such compensation, incentives or benefits. The Board of Directors of the Corporation, in its discretion, may award the Executive such additional compensation, incentives or benefits, pursuant to such plans or otherwise, as it may from time to time determine.

7. Termination of this Agreement. This Agreement shall terminate when the Corporation has made the last payment provided for hereunder; provided, however, that the obligations set forth under Section 5(d) of this Agreement shall survive any such termination and shall remain in full force and effect. Without the written consent of the Executive, the Corporation shall have no right to terminate this Agreement prior thereto. In the event the Executive, or his beneficiaries, as the case may be, and the Corporation shall disagree as to their respective rights and obligations under this Agreement, and the Executive or his beneficiaries are successful in establishing, privately or otherwise, that his or their position is substantially correct, or that the Corporation's position is substantially wrong or unreasonable, or in the event that the disagreement is resolved by settlement, the Corporation shall pay all costs and expenses, including counsel fees, which the Executive or his beneficiaries may incur in connection therewith directly to the provider of the services or as

may otherwise be directed by the Executive or his beneficiaries. The Corporation shall not delay or reduce the amount of any payment provided for hereunder or setoff or counterclaim against any such amount for any reason whatever; it is the intention of the Corporation and the Executive that the amounts payable to the Executive or his beneficiaries hereunder shall continue to be paid in all events in the manner and at the times herein provided. All payments made by the Corporation hereunder shall be final and the Corporation shall not seek to recover all or any part of any such payments for any reason whatsoever.

8. Additional payments by Corporation.

8(a) Notwithstanding anything in this Agreement or any other agreement to the contrary, in the event it shall be determined that any payment or distribution by the Corporation or any affiliate (as defined under the Securities Act of 1933, as amended, and the regulations thereunder) thereof or any other person to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, pursuant to that certain shareholder purchase and sale agreement between Executive and the Corporation made as of January 22, 1988, as amended and restated, pursuant to all non-qualified stock option plans of the Corporation now or hereafter in effect, pursuant to the IDEX Corporation Supplemental Executive Retirement Plan, pursuant to the IDEX Corporation 1996 Deferred Compensation Plan for Officers, pursuant to any other plan of deferred compensation, or pursuant to any other agreement or arrangement with the

Corporation or any affiliate thereof now or hereafter in effect (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code, or any successor statute thereto, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including, without limitation, any interest or penalties imposed with respect to such taxes and any Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

8(b) The Executive and/or the Corporation shall notify each other in writing as soon as practicable of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall state the nature of such claim and the date on which such claim is requested to be paid. Neither the Executive nor the Corporation shall pay such claim for taxes prior to the expiration of the thirty-day period following the date on which the notice is given (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Executive or Corporation (hereafter the "Notifying Party") notifies the other party in writing prior to the expiration of such period that it desires to contest such claim, such other party shall take such action, in connection with contesting such claim as the Notifying Party shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Notifying Party and approved by the other party, provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties and counsel fees as submitted) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Furthermore, if the Corporation is the Notifying Party, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

9 Rights in event of change of control or liquidation.

9(a) Rights in event of change in management or control. In the event of an Acquisition, the Executive, regardless of whether still employed by the Corporation, or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole option, upon receipt of prior written notice of the Acquisition from the Corporation, which such notice the Corporation is hereby required to provide, prior to the Acquisition to elect to receive on the consummation of the Acquisition, or for a period of 24 months after the Acquisition to elect to receive on the date designated by the Executive, or other beneficiary as the case may be, in either case within such 24-month period, a lump sum settlement of any one or more of the economic obligations of the Corporation to the Executive or other beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation. Notwithstanding anything in the preceding sentence to the contrary, in the event that pursuant to the preceding sentence the Corporation is obligated to pay to the Executive or such beneficiary in a lump sum settlement all of the obligations of the Corporation to the Executive or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation, the Executive or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole discretion, to elect not to receive a lump sum settlement of the obligations of the Corporation to the Executive or other beneficiary under Section 5(c)(4) of this Agreement and, in lieu thereof, to receive a guaranty (including, without limitation, a letter of credit), in form and substance satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion, of the payment of such obligations from any entity satisfactory to the Executive or other beneficiary, in his or her sole discretion. In addition, if the Executive or other beneficiary elects to receive a lump sum settlement, such election may be withdrawn by the Executive or other beneficiary with respect to any one or more of such obligations at any time prior to receipt of payment by the Executive or other beneficiary from the Corporation. Any lump sum payment shall be actuarially computed by the Corporation in good faith on an equitable basis based on the prevailing economic circumstances at the time of such election and shall include an assumption regarding future cost of living increases based upon the average of the monthly CPI for the five (5) calendar years immediately preceding the date of election. Any lump sum pension guarantee under Section 5(c)(2) shall be determined using the mortality assumptions of the "applicable mortality table" under Section 417(e) of the Code and either (i) the interest rate that would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which the single sum is paid or (ii) the "applicable interest rate" under Section 417(e) of the Code, determined as of the first month of the calendar year in which the single sum is paid, whichever would produce the greater single sum amount.

9(b) Assurances on liquidation. The Corporation agrees that until the termination of this Agreement as above provided, it will not voluntarily liquidate or dissolve, or enter into or be a party to any other transaction the effect of which would be to materially reduce the net assets or operations of the Corporation, without first making a written agreement with the Executive or other beneficiary, satisfactory to and approved by him or such beneficiary in writing within 30 days of receipt of a notice from the Corporation of such proposed liquidation, dissolution or other transaction, in fulfillment of or in lieu of its obligations to him or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation or, in the absence of such agreement, paying him or such beneficiary in a lump sum settlement of all such obligations prior to such proposed liquidation, dissolution or other transaction. Notwithstanding anything in the preceding sentence to the contrary, in the event that pursuant to the preceding sentence the Corporation is obligated to pay to the Executive or such beneficiary in a lump sum settlement all of the obligations of the Corporation to the Executive or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation, the Executive or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole discretion, to elect not to receive a lump sum settlement of the obligations of the Corporation to the Executive or other beneficiary under Section 5(c)(4) of this Agreement and, in lieu thereof, to receive a guaranty (including, without limitation, a letter of credit), in form and substance satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion, of the payment of such obligations from any entity satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion. Any lump sum settlement shall reflect a reasonable assumption of cost-of-living adjustments, if appropriate to such obligation, and shall be determined using the mortality assumptions of the "applicable mortality table" under Section 417(e) of the Code and either (i) the interest rate that would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which the single sum is paid or (ii) the "applicable interest rate" under Section 417(e) of the Code, determined as of the first month of the calendar year in which the single sum is paid, whichever would produce the greater single sum amount. For purposes of this Subsection, the Corporation 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.

10. Definitions. For purposes of this Agreement, the term "year" shall mean fiscal year, the term "dependents" shall have the same meaning as pursuant to Section 152 of the Code and the term "his 60th year" shall mean immediately following the Executive's 59th birthday. Any reference in this Agreement to the Code or ERISA or to related regulations shall be deemed to include any subsequent amendments to the Code or ERISA or related regulations and to include any successor provision of law or related regulation.

11. Amendments. This Agreement may not be amended or modified orally, and no provision hereof may be waived, except in a writing signed by the parties hereto, and specifically the agreement of any beneficiary, wife, dependents or other potential or actual third party beneficiary shall not be required, except as specifically provided for in this Agreement.

12. Assignment. This Agreement cannot be assigned by either party hereto except with the written consent of the other.

13. Binding effect. This Agreement shall be binding upon and inure to the benefit of the personal representatives and successors in interest of the Executive and any successors in interest of the Corporation. In addition to inuring to the benefit of the Executive, Sections 5(a) and 5(b) are intended to inure to the benefit of the Executive's beneficiaries, Section 5(c)(2) is intended to inure to the benefit of the Executive's beneficiaries, to the extent contemplated in that provision, Section 5(c)(4) is intended to inure to the benefit of the Executive's wife and his dependents, Sections 5(c)(3)(i) and (ii) is intended to insure to the benefit of the Executive's wife, to the extent of any election under Section 5(c)(3)(iii) and Section 7, Section 8 and Section 9 are intended to inure to the benefit of the Executive's beneficiaries; such provisions shall be enforceable by the aforesaid beneficiaries, wife and/or dependents, as the case may be, who upon the Executive's death shall be deemed successors in interest.

14. Choice of law. This Agreement shall be governed by the law of the State of Illinois (excluding the law of the State of Illinois with regard to conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect and performance.

15. Notice. Except as otherwise provided in this Agreement, all notices and other communications given pursuant to this Agreement shall be deemed to have been properly given if personally delivered or mailed, addressed to the appropriate party at the address of

such party as shown at the beginning of this Agreement, postage prepaid, by certified mail or by Federal Express or similar overnight courier service. A copy of any notice sent pursuant to this section shall also be sent to Hodgson, Russ, Andrews, Woods & Goodyear, 1800 One M & T Plaza, Buffalo, New York 14203, Attention: Richard E. Heath, Esq. and Dianne Bennett, Esq. Any party may from time to time designate by written notice given in accordance with the provisions of this paragraph any other address or party to which such notice or communication or copies thereof shall be sent.

16. Severability of provisions. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby and this Agreement shall be interpreted as if such invalid, illegal or unenforceable provision was not contained herein.

17. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

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IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name and on its behalf as of the date first above written.

Frank J. Hansen

Date of Execution: December ___, 1998

IDEX CORPORATION

By:

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

Date of Execution: December ___, 1998

The undersigned hereby executes this Amendment to evidence her agreement to be bound by the terms of Subsection 5(c)(2) and 5(c)(3) of the Employment Agreement.

Kathryn Hansen

DATE OF EXECUTION: December ___, 1998

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

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

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[graph]

Total return to IDEX shareholders since going public in June 1989 has been 307%. In the same period the S&P 500 Index has increased 389%, and the Russell 2000 Index rose 184%.

Financial Highlights
(in thousands except share and per share amounts)

[Graph]

Sales have grown at a 22% compound annual rate since 1993.

[Graph]

Diluted earnings per share have increased at a 19% compound annual rate in the last five years.

Years ended December 31,	1998	Change	1997	Change	1996
RESULTS OF OPERATIONS					
Net sales	$640,131	16%	$552,163	16%	$474,699
Operating income	109,543	6	103,595	18	87,616
Interest expense	22,359	22	18,398	5	17,476
Income from continuing operations	54,396	2	53,475	20	44,424
Net income	62,064	6	58,626	17	50,198
FINANCIAL POSITION					
Working capital	$115,635	(3)%	$119,466	10%	$108,313
Total assets	695,811	16	599,193	5	569,745
Long-term debt	283,410	10	258,417	(5)	271,709
Shareholders' equity	286,037	20	238,671	22	195,509
PERFORMANCE MEASURES					
Percent of net sales					
Operating income	17.1%		18.8%		18.5%
Income from continuing operations	8.5		9.7		9.4
Net income return on average assets	9.6		10.0		9.8
Debt as a percent of capitalization	49.8		52.0		58.2
Net income return on average shareholders' equity	23.7		27.0		29.0
PER SHARE DATA-DILUTED					
Income from continuing operations	$ 1.81	2%	$ 1.78	19%	$ 1.49
Net income	2.07	6	1.95	15	1.69
Cash dividends paid	.54	13	.48	12	.43
Shareholders' equity	9.71	19	8.16	21	6.76
OTHER DATA					
Employees at year end	3,803	14%	3,326	8%	3,093
Shareholders at year end	7,700	10	7,000	15	6,100
Weighted average shares outstanding	30,052	-	29,999	1	29,779

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

TO OUR SHAREHOLDERS:

While worldwide developments in the manufacturing sector of the economy prevented us from doing as well as we expected when the year began, IDEX still set new financial records in 1998. Importantly, your company also made significant strides in a number of areas to enhance future growth opportunities by:

- acquiring Gast Manufacturing, a leading manufacturer of air-moving devices,
- introducing a number of new products,
- making capital investments in production equipment and business systems to accommodate growth,
- selling two businesses which did not fit our long-term strategy,
- arranging a new, more attractive $150 million long-term note issue and redeeming $75 million of higher cost debt, and
- selecting the next generation of senior management of the company.

NEW HIGHS IN SALES AND NET INCOME FROM CONTINUING OPERATIONS

Net sales reached $640 million and increased by 16% from the $552 million of 1997. Net income from continuing operations was $54.4 million and increased by 2% from $53.5 million in 1997. Diluted earnings per share from continuing operations in 1998 amounted to $1.81 compared with $1.78 in 1997. However, a one-time charge of approximately 3 cents per share was taken in connection with closing a small plant in McKees Rocks, Pennsylvania. Without this charge, income from continuing operations would have been $1.84 per diluted share, a 6 cent per share improvement. We also recorded net income from discontinued operations and a gain on the sale of the Strippit and Vibratech businesses aggregating $10.2 million, or 34 cents per share. These gains were partially offset by a charge of $2.5 million, or 8 cents per share, from prepayment of the $75 million senior subordinated note issue which was replaced by the new $150 million senior note issue at a lower cost. Net income for the year, including the unusual items mentioned, reached $62.1 million or $2.07 per diluted share.

The turmoil in Asia reduced our business there, and the effects spread to U.S. and other world markets as the year progressed, dampening activity in several of our markets. As a result, all of our growth in sales and earnings in 1998 stemmed from our acquisitions. Without acquisitions, our sales would have been down about 6% from last year.

International expansion has been a key development strategy for IDEX, and was very beneficial for us until this year. From our formation in 1988 through 1997, international sales rose from 24% of total sales to 44%. In 1998, international sales were 39% of total. This was primarily because of our most recent acquisition, Gast Manufacturing, having only about 20% of its sales outside the U.S., but softer conditions in international markets and the effect of the strong dollar on exports also affected our international activity.

Operating income margins in 1998 were 17.1% of sales, which is a strong showing for an industrial company. However, margins declined from 18.8% in 1997 because our recent acquisitions have margins that are below the IDEX average. Our base business margins actually remained steady in 1998, despite the sales decline. We have a history of acquiring good companies with

[Graph]
International growth continues to be a key factor in IDEX's success.

[Graph]
Since its formation,
IDEX has continuously achieved significantly higher operating margins than most manufacturers.

[Graph]
IDEX's net income margins exceed those of most manufacturers.

somewhat lower margins than ours, and then working with managements to improve margins and asset utilization. Our process involves strong financial discipline and sharing best practices among business units. Indeed, all of the companies acquired prior to 1997 have better margins today than when they were acquired.

In reviewing the detailed information in this report, you will see that our operations are now separated into three groups: Pump Products, Dispensing Equipment and Other Engineered Products. This change provides you with further details about the company's operations and complies with the new accounting standard on disclosures about business segments.

DIVIDEND INCREASE AND AUTHORIZATION OF SHARE BUYBACK PROGRAM

The Board of Directors, after considering the company's prospects, again increased the dividend on our common shares beginning with the January 1999 payment. The new dividend rate is 14 cents per share per calendar quarter, up 4% from the 13-1/2 cents per share paid in 1998.

In addition, at its October 1998 meeting, the Board authorized the repurchase of up to 1.5 million shares of common stock at market prices or on a negotiated basis. While no share repurchases occurred in 1998, purchases may be made as conditions warrant, with funding for the purchases coming from borrowings under our existing facilities.

GAST MANUFACTURING ACQUIRED

On January 21, 1998, we acquired Gast Manufacturing of Benton Harbor, Michigan, in a $118 million cash transaction. Gast is a leading manufacturer of air-moving products such as vacuum pumps, air motors, vacuum generators, regenerative blowers and fractional horsepower compressors. It is being operated as a member of our Pump Products Group. This company fits the IDEX profile very well and expands our offering of specialized fluid handling and pump products.

SALE OF TWO BUSINESSES

During 1998, we divested Strippit and Vibratech, which were among the six businesses acquired from Houdaille Industries when IDEX was formed in 1988. While both businesses were profitable, they no longer fit the IDEX profile because of significant differences in product technology, distribution methods, and markets served. In addition, they tended to be much more cyclical than our other businesses. Proceeds from the sales, aggregating approximately $40 million, were used to reduce debt.

INTERNAL DEVELOPMENT

We were able to maintain our leading positions in niche markets in 1998 because of our dedication to superior customer service, introduction of a number of new products, intensified marketing efforts, expenditures for production equipment and improved business systems, development of our people, and adherence to a strict code of ethics. Further information on these initiatives is found in other sections of this annual report.

MANAGEMENT TRANSITION

On December 18, Donald N. Boyce, who has been Chairman and Chief Executive Officer of IDEX since its founding in 1988, and who has been with IDEX and its predecessor since 1969, announced that he plans to retire on March 31, 1999. He will remain Chairman of the Board. Succeeding Mr. Boyce as CEO on April 1, 1999, will be Frank J. Hansen, who was named President and Chief Operating Officer on January 1, 1998, in anticipation of Mr. Boyce's retirement. Mr. Hansen joined the company at its Viking Pump business unit in 1975, was named President of Viking in 1989, and became a corporate officer in 1994. We believe the IDEX management team backing Mr. Hansen is a premier group with an excellent record of success in operating manufacturing businesses.

In other management changes, P. Peter Merkel, Jr., Chairman of our Band-It-IDEX business unit and an IDEX Vice President - Group Executive with more than 25 years of service, retired in January 1999. We appreciate the many and significant contributions he made to IDEX's successes. John L. McMurray, who has been with Viking Pump for six years and is its President, was named to the added post of IDEX Vice President - Group Executive. Also during the year, Frank J. Notaro joined us as Vice President - General Counsel and Secretary.

OUTLOOK

While our record of above-average growth for an industrial company was moderated in 1998 because of conditions in world-wide industrial markets, we believe the company is well positioned for future growth. We have this confidence because IDEX has a strong management team - in depth, a reputation for quality (all of our plants worldwide are certified under ISO 9000 standards), leading market positions with healthy operating margins, a "serve the customer" attitude, adherence to a strong code of ethics, a continuing flow of new products, and sales opportunities in diverse markets not only in the U.S. but worldwide.

Having achieved strong market positions and high margins, your management team realizes that these advantages will be but temporary unless we continue to strive to better our own records in areas ranging from new product development to market development, and from production efficiencies to systems improvements. We are in a constant state of renewal because we want to be certain that IDEX excels in the future as it has in the past.

While there are uncertainties in the current outlook for 1999, we believe that, barring unforeseen circumstances, IDEX should again set records in sales, net income and earnings per share. We also believe the coming years are filled with opportunity.

We express our thanks to our shareholders, customers, employees, vendors and communities in which we operate for their support.

/s/ Donald N. Boyce

Donald N. Boyce
Chairman and Chief Executive Officer

/s/ Frank J. Hansen

Frank J. Hansen
President and Chief Operating Officer
January 19, 1999

Business Groups

Pump Products
Corken
Gast Manufacturing
Micropump
Pulsafeeder
Viking Pump
Warren Rupp

[Sales Pi Chart]

59% Pump Products

19% Dispensing Equipment

22% Other Engineered Products

IDEX's business units are organized into three business groups: Pump Products, Dispensing Equipment and Other Engineered Products. These businesses offer innovative products that exemplify how we gain strength through ideas. Our companies design, manufacture and market proprietary, precision-engineered fluid handling devices and other engineered equipment.

PUMP PRODUCTS

The six business units in this group manufacture engineered industrial pumps and related controls. These products are used for a wide range of process applications, including moving paints, inks, chemicals, foods, lubricants and fuels, as well as in medical applications, water treatment and industrial production operations.

Our complementary lines of specialized positive displacement pumps and related products give customers an unparalleled range of choices to meet their needs. They include rotary gear, vane and lobe pumps, vacuum pumps, air-operated diaphragm pumps, miniature magnetically and electromagnetically driven pumps, and diaphragm and peristaltic metering pumps.

The Pump Products Group accounted for 59% for our sales and 61% of profits in 1998, with 32% of sales shipped to customers outside the United States.

[Picture]
Pulsafeeder metering pump

[Picture]
Warren Rupp high-pressure diaphragm pump

Gast regenerative blower

[Picture]
Corken stainless steel vane pump

DISPENSING EQUIPMENT

The two business units in this group produce highly engineered equipment for dispensing, metering and mixing tints, colorants, paints, inks and dyes, and centralized lubrication systems. This equipment is used in a wide array of industries around the world, such as paints and coatings, machinery, and transportation equipment.

The Dispensing Equipment Group contributed 19% of our sales and 19% of profits in 1998, and 46% of the group's sales were to international customers.

OTHER ENGINEERED PRODUCTS

The two business units in this group manufacture proprietary equipment, including engineered banding and clamping devices, fire fighting pumps and rescue tools. Our products are used in a broad range of industrial and commercial markets, including transportation equipment, oil and gas, electronics, communications, traffic and commercial signs, and fire and rescue. This group represented 22% of our sales and 20% of profits in 1998. Sales to non- U.S. customers amounted to 53% of total group sales.

[Picture]
Fluid Management
paint shaker

[Picture]
Lubriquip Trabon(R)
lubrication
package

[Picture]
Band-It clamp
installation tool

[Picture]
Hurst Jaws of
Life(R) rescue tool

[Photo]
Steve Semmler (left), President of Corken, shows Jim Grigsby III (right) of American Propane Gas Co., their new Coro-Vac(R) cylinder evacuation device.

Dispensing Equipment

FLUID MANAGEMENT
LUBRIQUIP

Other Engineered Products

BAND-IT
HALE PRODUCTS

[Profits Pi Chart]

61% Pump Products

19% Dispensing Equipment

20% Other Engineered Products

Business Profile

	CORKEN	GAST MANUFACTURING	MICROPUMP
Product offering	Positive displacement rotary vane pumps, single and multistage regenerative turbine pumps, and small horsepower reciprocating piston compressors.	Vacuum pumps, air motors, vacuum generators, regenerative blowers and fractional horsepower compressors.	Small, precision-engineered, magnetically and electromagnetically driven rotary gear, piston and centrifugal pumps.
Brand names*	Corken, Coro-Flo, Coro-Vane, Coro-Vac, Sabre	Gast, Regenair, Smart-Air, Roc-R	Micropump, Delta, Integral Series
Markets served	Liquefied petroleum gas (LPG), oil and gas, petrochemical, pulp and paper, transportation, marine, food processing and general industrial.	Medical equipment, computers and electronics, printing machinery, paint mixing machinery, packaging machinery, graphic arts and industrial manufacturing.	Printing machinery, medical equipment, chemical processing, pharmaceutical, refining, laboratory, electronics, pulp and paper, water treatment and textiles.
Product applications	Products used for transfer and recovery of LPG, alternative fuels and other gases and liquids.	Air motors for industrial equipment applications, and vacuum pumps and fractional horsepower compressors for specialty pneumatic applications requiring a quiet, clean source of moderate vacuum or pressure.	Pumps and fluid management systems for low-flow abrasive and corrosive applications such as inks, dyes, solvents, chemicals, petrochemicals, acids and chlorides.
Competitive strengths	Market leader for pumps and compressors used in LPG distribution facilities with an estimated 50% U.S. market share.	A leading manufacturer of air-moving products with an estimated one-third U.S. market share in air motors, low and medium range vacuum pumps, vacuum generators, regenerative blowers and fractional horsepower compressors.	Market and technology leader in corrosion-resistant, magnetically and electromagnetically driven, miniature pump technology with an estimated 40% U.S. market share.
International sales	45% of sales outside the U.S.	20% of sales outside the U.S.	50% of sales outside the U.S.
Examples of recently introduced products*	New Coro-Vac vacuum pump, designed in cooperation with Gast Manufacturing, for purging air from cylinders and tanks prior to filling with LP gas. New high pressure, two-stage compressor for gas and liquid transfer and recovery.	New line of rocking piston vacuum pumps and air compressors for medical and industrial applications. Extended series of miniature diaphragm vacuum pumps for environmental applications.	New series of pumps built from injection molded stainless steel, new dual-pumps sharing a common drive, and a new brushless DC motor used throughout several pump series.
Manufacturing locations	Oklahoma City, Oklahoma	Benton Harbor, Michigan Bridgman, Michigan High Wycombe, England Swansea, Wales	Vancouver, Washington St. Neots, England

*Brand names shown are registered trademarks of IDEX and/or its subsidiaries.

PULSAFEEDER	VIKING PUMP	WARREN RUPP	FLUID MANAGEMENT
Metering pumps, special purpose rotary pumps, peristaltic pumps, electronic controls and dispensing equipment.	Positive displacement rotary gear, lobe and metering pumps and related electronic controls.	Double-diaphragm pumps, both air-operated and motor-driven, and accessories.	Precision-engineered equipment for dispensing, metering and mixing paints, coatings, colorants, inks, dyes, and other liquids and pastes.
Pulsafeeder, Knight, PULSAR, PULSAtron, PULSAtrol, Chem-Tech Eco, Isochem, Mec-O-Matic	Viking, Vican, Duralobe, Viking Mag Drive, Viking Flow Manager, Vi-Corr, Johnson, Classic, On-Line, SQ	Warren Rupp, SandPIPER, Marathon, PoweRupp, RuppTech, Blagdon	Fluid Management, Harbil, Miller, Blendorama, Tintmaster, Accutinter, Eurotinter, ColorPro, Prisma, EZ Load, GyroMixer
Water and wastewater treatment, power generation, pulp and paper, chemical and hydrocarbon processing, swimming pool, industrial and commercial laundry and dishwashing.	Chemical processing, petroleum food processing, pulp and paper, pharmaceutical, biotechnology, paints, plastics, inks and power generation.	Chemical, paint, food processing, electronics, construction, utilities, mining and industrial maintenance.	Retail and commercial paint stores, hardware stores, home centers, department stores, printers, and paint and ink manufacturers.
Pumps, controls and dispensing equipment for introducing precise amounts of fluids into processes to manage water quality and chemical composition.	Pumps for transferring and metering thin and viscous liquids, including chemicals, foods, petroleum products, paints, inks, coatings, glues and asphalt.	Pumps for abrasive and semisolid materials as well as for applications where product degradation is a concern or where electricity is not available or should not be used.	Fluid management systems for precise blending of base paint, tints and colorants, and inks and dyes in a broad range of industries from retail point-of-sale equipment to manufacturing systems.
A leading manufacturer of metering pumps, controls and dispensing equipment used in water treatment, process applications and warewash constitutional applications. Estimated 40% U.S. market share.	Largest internal gear pump producer with an estimated 35% share of U.S. rotary gear pump market. Also a producer of external gear and rotary lobe pumps.	A leading double-diaphragm pump producer offering products in several materials including composites, stainless steel and cast iron. Estimated one-quarter U.S. market share.	Industry innovator and worldwide market leader in automatic and manually operated dispensing, metering and mixing equipment for the coating market. Estimated 50% worldwide market share.
30% of sales outside the U.S.	30% of sales outside of U.S.	50% of sales outside the U.S.	55% of sales outside the U.S.
An advance cooling tower controller offering simplified user interface, and upgraded leak detection technology used throughout the metering pump range.	A new line of industrial lobe pumps for high pressure/non-shearing applications, and a sanitary lobe pump for loading/unloading food-grade liquids from transport trucks	Stroke counter batch control, expanded line of stainless steel hygienic pumps, and new plastic pump models.	New high speed EZ Load and GyroMixer line of paint mixing equipment. New mini-gravimetric dispenser for printing applications, and industrial software for management of small to medium batch production operations.
Rochester, New York Lake Forest, California Punta Gorda, Florida Covington, Georgia Enschede, The Netherlands	Cedar Falls, Iowa Windsor, Ontario, Canada Eastbourne, England Shannon, Ireland	Mansfield, Ohio Newcastle, England	Wheeling, Illinois Sassenheim, The Netherlands Unanderra, Australia

LUBRIQUIP	BAND-IT	HALE PRODUCTS
Centralized oil and grease lubrication systems, force-feed lubricators, metering devices, related electronic controls and accessories.	Stainless steel bands, buckles, preformed clamps, cable ties, installation tools and modular sign-mounting systems.	Truck-mounted and portable fire pumps, and rescue tool systems.
Trabon, Manzel, Kipp, OPCO, Grease Jockey, TrackMaster, Spindl-Gard, Injecto-Flo, Mill-Gard	Band-It, Signfix, Tespa, Self-Lok, Ultra-Lok, Band-It Jr, Ball-Lok, Band-Lok, Infocurve	Hale, Godiva, LUKAS, Hurst Jaws of Life, FoamMaster, CAFSMaster, Century, Green Cross, Hurst Entry Systems, Typhoon, Qflo, Qmax
Machine tools, transfer machines, conveyors, packaging machinery, transportation equipment, construction machinery, and food processing and paper machinery.	Transportation equipment, oil and gas, industrial maintenance, electronics, electrical, communications, aerospace, traffic and commercial signs.	Public and private fire and rescue applications.
Lubrication devices to prolong equipment life, reduce maintenance costs and increase productivity.	Clamps and bands for securing hose fittings, signs, signals, pipes, poles, electrical lines and numerous other "hold-together" applications for industrial and commercial use.	Pumps for water or foam to extinguish fires, and rescue equipment for extricating accident victims.
Market leader in centralized lubrication systems serving a broad range of industries. Estimated one-third U.S. market share.	World's leading producer of high-quality stainless steel bands, buckles and clamping systems with an estimated 50% U.S. market share.	World's leading manufacturer of truck-mounted fire pumps and rescue systems with an estimated worldwide market share in excess of 50%.
20% of sales outside the U.S.	60% of sales outside the U.S.	50% of sales outside the U.S.
Environmentally friendly self-contained Mill-Gard lubrication system for the primary metals and paper industries, and state-of-the-art Injecto-Flo piston distribution systems for machine tools.	New high volume industrial application tools, Self-Lok and Ball-Lok stainless steel cable ties, Band-Lok general purpose clamps, and Infocurve curved sign systems.	Newly designed line of compact, efficient Hale midship "muscle pumps," new "world pumps" in Europe, new compact compressed air foam systems for portable firefighting applications, and LUKAS super silent rescue tool power packs.
Warrensville Heights, Ohio Madison, Wisconsin	Denver, Colorado Bristol, England Staveley, England Tipton, England Singapore	Conshohocken, Pennsylvania Shelby, North Carolina St. Joseph, Tennessee Warwick, England Erlangen, Germany

Pump Products

CORKEN

GAST MANUFACTURING

MICROPUMP

PULSAFEEDER

VIKING PUMP

WARREN RUPP

Dispensing Equipment

FLUID MANAGEMENT

LUBRIQUIP

Other Engineered Products

BAND-IT

HALE PRODUCTS

Product and Process Innovation

[New Product Sales Pi Chart]

One-quarter of sales come from new products

[Picture]
Micropump metal injection molded mag drive pump

"Strength
Through
Ideas"

New ideas. Better ideas. Ideas that provide the best overall value for IDEX customers. These are key factors in our strength and success.

We aim to keep pace with customer needs, exceed their expectations, and stay ahead of the competition by continually improving product and process technologies and introducing new products. For each of the last 11 years, about one-fourth of our sales have come from products that were totally redesigned or introduced in the preceding four years.

New product development is a company-wide effort. One in 10 people is directly involved with product or process technology development.

Multidisciplinary teams consult with customers, specifying engineers, end-users, distributors and focus groups to ensure our products are state-of-the-art. Because many of our products are mechanical in nature and often include electronic control devices, our engineering processes encompass the full spectrum of technical specialties - from hydraulics and pneumatics, to electrical and mechanical, to electronics and software development.

IDEX's strengths include our ability to leapfrog our own technology, using a fleetfooted approach that quickly brings new products with proven reliability to the market. Our customers deserve the best and the latest new product technology. The variety of new products introduced by IDEX business units in 1998 include:

- an industrial lobe pump at Viking Pump,
- a Corken LP gas cylinder evacuation system developed in cooperation with Gast Manufacturing,
- a coated Ball-Lok(R) tie system at Band-It,
- a new class of PULSAtrol(R) controllers at Pulsafeeder,
- a miniature diaphragm vacuum pump and an updated line of compressors at Gast Manufacturing,
- a new breed of "muscle pumps" from Hale Products for truck-mounted, fire-fighting applications in both the U.S. and Europe,
- a lower-cost, metal injection molded, miniature mag drive pump at Micropump, and
- a new series of lube system timers and a line of Grease Jockey(R) equipment for low-maintenance vehicles at Lubriquip.

Quality is the foundation of every new product or technology at IDEX. The internationally recognized ISO 9000 standard has become the benchmark for quality, and each of our worldwide manufacturing locations is certified under this standard. This certification requires stringent controls that further reinforce our tradition of manufacturing integrity, and ensures that our customers constantly receive first-class products.

It is no coincidence that the first word in the IDEX acronym is Innovation. Our commitment to developing new products is one of the cornerstones on which IDEX will continue to grow stronger.

[Picture]
Elements of a Hale midship fire pump

[Picture]
Gast miniature vacuum pump and air compressor

Acquisition Strategy

[1998 Repair & Replacement Sales
Pi Chart]

Estimated one-third of sales come from repair & replacement

[Picture]
Gast rocking piston vacuum pump and air compressor

"Acquisitions to
enhance growth in
shareholder value"

The idea behind IDEX's acquisition strategy is simple - to promote growth in shareholder value rather than growth for growth's sake. We use carefully designed and rigidly applied acquisition criteria to acquire good companies and make them better through internal benchmarking, sharing of best practices and financial discipline.

IDEX's track record speaks for itself. Since 1989, we have completed 13 acquisitions, each meeting

[1998 Sales from Acquisitions Pi Chart]

20% of sales came from Gast Manufacturing, Knight and Blagdon our strict criteria and now contributing to our bottom line. We will continue to follow this disciplined approach to acquire more companies that produce proprietary industrial products with leading positions in their niche markets.

These are our four most recently completed acquisitions:

- Gast Manufacturing, purchased in January 1998, is one of the world's leading manufacturers of air-moving products including air motors, vacuum pumps, vacuum generators, regenerative blowers and fractional horsepower compressors.

- Knight Equipment, acquired in December 1997, is a leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing and chemical injection. It operates as part of our Pulsafeeder business unit.

- Blagdon Pump, added in April 1997, is a U.K.-based manufacturer of air-operated diaphragm pumps. Blagdon complements our Warren Rupp business unit, under which it now operates.

- Fluid Management, acquired in July 1996, is the world's leading manufacturer of mixing and dispensing equipment for a wide variety of liquids, including paints, colorants, inks, dyes and pastes.

IDEX offers many advantages for the employees and customers of companies that we acquire. They benefit from implementing IDEX's financial control systems immediately after the acquisition, and then sharing the best practices of our business units, because there is commonality in our engineering principles, manufacturing methods, distribution channels and business systems. We can implement what works successfully and avoid the problems of what does not. This idea of "cross-pollination" has resulted in exceptional customer service, improved margins and higher asset utilization in our acquired businesses.

Acquisitions have been an important part of the proven growth strategy at IDEX since it was formed in 1988. We intend to continue to use our very strong cash flow to further enhance shareholder value by acquiring companies that meet our rigidly applied criteria.

[Picture]
Blagdon food-grade diaphragm pump

Market Leadership

[Market Share Leadership Pi Chart]
Estimated 40% weighted average share of markets served

[International 1998 Sales Pi Chart]

61% Domestic

24% Europe

6% Far East & Oceania

9% Rest of World

"The essence of IDEX is Innovation, Diversity, and EXcellence"

IDEX's strength is perhaps best demonstrated by our leadership positions in niche markets. Each IDEX business unit holds either the number one market position or has a sizable share as the number two producer. On a weighted average basis, we enjoy an estimated 40% share of those markets.

The focus throughout our organization is to offer our customers the best overall value in the marketplace. We do this by responding quickly to their needs with the highest quality products using the latest designs. We thrive on the urgency this requires and cut through unnecessary red tape that might slow our response to customers.

IDEX companies are market leaders not because they have the lowest prices, but because our customers recognize the superior value we offer. We maintain our leadership positions by continually providing more in reliability, service, diversity, performance, selection, easy-to-use features, productivity, safety, maintenance, and long-term cost effectiveness.

We have used this market leadership to strengthen our international presence, and IDEX conducts business in more than 100 countries around the world. International sales have grown from 24% 11 years ago to 39% in 1998, and we expect international growth to continue. By sharing application ideas with agents, distributors and customers, we continually broaden our market base. We provide our diverse array of products to a wide variety of customers and industries around the globe, in an effort to minimize the effects of business cycles in specific markets or countries.

[Picture]
Corken Coro-Vac(R) LP gas cylinder evacuation system, developed in cooperation with Gast Manufacturing

[Picture]
Viking industrial lobe pump

An important element in our market leadership is the well-established industrial distribution network through which most of IDEX's products are sold. Where volume requirements are higher, we also sell directly to original equipment manufacturers. Our distributors are our partners in assisting thousands of customers worldwide with product selection, installation and service. They have technological sophistication, coupled with extensive training and support, to ensure IDEX's reputation for excellence continues.

Our market leadership is made possible by the talent and performance of the people of IDEX. Our dedicated employees follow a strict code of ethics, and share the belief that IDEX is a company that people are proud to work for, buy from, sell to and invest in. Through their effort, our business units are among the most respected in their industries.

At IDEX we gain strength through generating ideas and translating them into effective actions as well as by following ethical business practices; providing top-quality, state-of-the-art products; selling to a broad base of customers and industries worldwide; continuously working to introduce innovative new products; caring for our people; and striving for superiority in everything we do. We believe the very essence of IDEX is defined in its acronym Innovation, Diversity and EXcellence.

[Market Served Pi Chart]

Chemical Processing

Paints & Coatings

Machinery

Fire & Rescue

Water Treatment

Transportation Equipment

Oil & Refining

Food Processing

Medical Equipment

All Other

[Picture]
Fluid Management computer-controlled colorant dispenser

Historical Data
(in thousands except share and per share amounts)

Sales have grown at a 22% compound annual rate since 1993. [Graph]

IDEX's operating margins have consistently been well above average for an industrial company. [Graph]

Aftertax margins at IDEX compare very favorably with those of the average industrial company. [Graph]

	1998	1997
RESULTS OF OPERATIONS		
Net sales	$ 640,131	$ 552,163
Gross profit	252,846	222,357
SG&A expenses	132,627	110,588
Goodwill amortization	10,676	8,174
Operating income	109,543	103,595
Other income (expense)	479	(693)
Interest expense	22,359	18,398
Provision for income taxes	33,267	31,029
Income from continuing operations	54,396	53,475
Income from discontinued operations	10,182	5,151
Extraordinary items	(2,514)	-
Net income	62,064	58,626
Income applicable to common stock	62,064	58,626
FINANCIAL POSITION		
Current assets	$ 195,900	$ 197,267
Current liabilities	80,265	77,801
Working capital	115,635	119,466
Current ratio	2.4	2.5
Capital expenditures	20,763	13,562
Depreciation and amortization	33,575	24,943
Total assets	695,811	599,193
Long-term debt	283,410	258,417
Shareholders' equity	286,037	238,671
PERFORMANCE MEASURES		
Percent of net sales		
Gross profit	39.5%	40.3%
SG&A expenses	20.7	20.0
Goodwill amortization	1.7	1.5
Operating income	17.1	18.8
Income from continuing operations	8.5	9.7
Net income return on average assets	9.6	10.0
Debt as a percent of capitalization	49.8	52.0
Net income return on average shareholders' equity	23.7	27.0
PER SHARE DATA		
Basic - income from continuing operations	$ 1.85	$ 1.83
- net income	2.12	2.01
Diluted - income from continuing operations	1.81	1.78
- net income	2.07	1.95
Cash dividends declared	.545	.495
Shareholders' equity	9.71	8.16
Stock price - high	38 3/4	36 11/16
- low	19 1/2	23 1/4
- close	24 1/2	34 7/8
Price/earnings ratio at year end	13	18
OTHER DATA		
Employees at year end	3,803	3,326
Shareholders at year end	7,700	7,000
Weighted average shares outstanding - basic	29,332	29,184
- diluted	30,052	29,999
Shares outstanding at year end	29,466	29,250

1996	1995	1994	1993	1992	1991	1990	1989	1988
$ 474,699	$ 395,480	$ 319,231	$ 239,704	$ 215,778	$ 166,724	$ 160,605	$ 148,870	$ 127,048
187,074	157,677	126,951	96,903	88,312	67,845	65,712	60,584	52,171
93,217	78,712	66,743	52,950	49,326	34,046	29,930	27,391	23,356
6,241	4,196	3,025	1,889	1,422	525	487	487	453
87,616	74,769	57,183	42,064	37,564	33,274	35,295	32,706	28,362
(696)	524	281	728	602	587	448	951	(1,123)
17,476	14,301	11,939	9,168	9,809	10,397	11,795	13,989	14,486
25,020	21,845	16,181	11,187	9,763	8,993	9,221	7,964	5,929
44,424	39,147	29,344	22,437	18,594	14,471	14,727	11,704	6,824
5,774	6,178	4,266	2,889	1,552	1,446	976	3,404	3,830
-	-	-	-	(3,441)	1,214	2,145	2,972	4,583
50,198	45,325	33,610	25,326	16,705	17,131	17,848	18,080	15,237
50,198	45,325	33,610	25,326	16,705	17,131	17,848	14,857	10,012
$ 191,599	$ 173,889	$ 140,450	$ 106,864	$ 107,958	$ 68,671	$ 68,807	$ 66,512	$ 59,126
83,286	70,798	58,443	34,038	31,276	25,940	23,852	20,198	18,055
108,313	103,091	82,007	72,826	76,682	42,731	44,955	46,314	41,071
2.3	2.5	2.4	3.1	3.5	2.6	2.9	3.3	3.3
11,634	8,181	6,818	6,120	5,657	2,778	4,025	3,146	1,683
21,312	15,277	12,515	10,092	8,758	5,750	4,842	4,641	4,499
569,745	450,077	357,980	245,291	240,175	137,349	127,466	124,998	118,266
271,709	206,184	168,166	117,464	139,827	65,788	103,863	124,942	143,308
195,509	150,945	116,305	83,686	58,731	37,112	(4,287)	(23,282)	(84,681)
39.4%	39.9%	39.8%	40.4%	40.9%	40.7%	40.9%	40.7%	41.1%
19.6	19.9	20.9	22.1	22.9	20.4	18.6	18.4	18.4
1.3	1.1	1.0	.8	.7	.3	.3	.3	.4
18.5	18.9	17.9	17.5	17.4	20.0	22.0	22.0	22.3
9.4	9.9	9.2	9.4	8.6	8.7	9.2	7.9	5.4
9.8	11.2	11.1	10.4	8.9	12.9	14.1	12.2	8.0
58.2	57.7	59.1	58.4	70.4	63.9	104.3	122.9	244.4
29.0	33.9	33.6	35.6	34.9	104.4	-	-	-
$ 1.54	$ 1.37	$ 1.03	$ .79	$ .66	$ .57	$ .61	$ .41	$ .10
1.74	1.58	1.18	.89	.59	.68	.73	.72	.64
1.49	1.32	1.00	.77	.65	.57	.61	.41	.10
1.69	1.53	1.15	.87	.59	.68	.73	.72	.64
.440	.387	.093	-	-	-	-	-	-
6.76	5.26	4.06	2.93	2.07	1.32	(.18)	(.96)	(5.38)
27 5/8	29 1/2	19 1/2	16	10 5/8	8 7/8	7 3/4	7 1/2	-
19 7/8	18 3/8	15 1/8	9 3/4	7 3/8	4 1/4	4 5/8	6 1/8	-
26 5/8	27 1/8	18 3/4	15 7/8	10 5/8	7 3/8	4 3/4	7 1/2	-
16	18	16	18	15	12	7	13	-
3,093	2,680	2,305	1,828	1,864	1,418	1,367	1,391	1,222
6,100	5,300	4,400	4,300	4,200	3,900	3,700	3,600	-
28,818	28,662	28,600	28,396	28,353	25,367	24,309	20,537	15,740
29,779	29,609	29,331	28,976	28,389	25,367	24,309	20,537	15,740
28,926	28,695	28,619	28,580	28,353	28,184	24,303	24,317	15,740

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

Management's Discussion & Analysis of
Financial Condition & Results of Operations

Diluted earnings per share have grown at a 19% compound annual rate in the last five years.

[Graph]

HISTORICAL OVERVIEW AND OUTLOOK

IDEX sells a broad range of proprietary pump products, dispensing equipment and other engineered products 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 U.S. and in other countries where its products are sold and by the relationship of the U.S. dollar to other currencies. Among the factors that influence the demand for IDEX's products are interest rates, levels of capacity utilization and capital spending in certain industries, 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 and whose margins are normally further reduced by purchase accounting adjustments.

IDEX's 1998 orders, sales, income from continuing operations, net income and earnings per share were at record levels. New orders from continuing operations totaled $627.6 million and trailed shipments by about $12.5 million. IDEX ended 1998 with a typical backlog of unfilled orders of about 1-1/3 months' sales. This customarily low level of backlog allows the Company to provide excellent customer service, but also means that changes in orders are felt quickly in operating results.

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

[Graph]

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 United States economy and many other economies in which IDEX sells its products continued during 1998. While the Company has strong market positions, and emphasizes new product development and sales opportunities worldwide, it is not able to escape the soft economic conditions that are currently affecting most manufacturing companies. However, the Company does not sell the more cyclical, higher-ticket capital goods. IDEX has high margins and strong cash flow, thus should not face severe financial pressure in an economic downturn. Based on current activity levels and barring unforeseen circumstances, we expect orders, sales, net income and earnings per share for the full year in 1999 will exceed the comparable 1998 level from continuing operations, although the new year is

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

[Graph]

From left to right: Doug Lennox (Treasurer), Clint Kooman (Controller), Wayne Sayatovic (Senior Vice President - Finance and Chief Financial Officer) expected to start slowly. 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 its profitable growth.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT
The preceding paragraph, the Shareholders' Letter, and the "Liquidity and Capital Resources," "Year 2000" and "Euro Preparations" sections 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 of 1933 and Section 21E of the Exchange Act of 1934. Such statements relate to, among other things, capital expenditures, cost reduction, cash flow and operating improvements, and are indicated by words such as "anticipate," "estimate," "expects," "plans," "projects," "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 U.S. and other countries around the world; pricing pressures and other competitive factors, and levels of capital spending in certain industries, all of which could have a material impact on 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 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.

RESULTS OF OPERATIONS
For purposes of this discussion and analysis section, reference is made to the table on page 18 and the Company's Statements of Consolidated Operations on page 23. During the fourth quarter of 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosures about Segments of an Enterprise and Related Information." Pursuant to SFAS No. 131, IDEX realigned its historical presentation of business segments into three reporting groups: Pump Products, Dispensing Equipment and Other Engineered Products.

The Pump Products Group designs, produces and distributes a wide range of engineered industrial pumps and related controls for process applications. The Dispensing Equipment Group designs, manufactures and distributes precision-engineered equipment for dispensing, metering and mixing paints, and oil and grease lubrication systems. The Other Engineered Products Group designs, produces and distributes proprietary engineered products for industrial and commercial markets including fire and rescue, transportation equipment, oil and gas, electronics, electrical, communications, and traffic and commercial signs.

In December 1997, IDEX announced its intention to divest its Strippit and Vibratech business units. The Company completed the sale of Vibratech on June 9, 1998, and Strippit on August 25, 1998. The financial statements report Strippit and Vibratech as discontinued operations and the group financial information have been reclassified to reflect IDEX's revised group reporting structure. Revenues from the discontinued operations amounted to $42.1 million, $83.9 million, and $87.9 million for the years ended 1998, 1997 and 1996, respectively.

PERFORMANCE IN 1998 COMPARED TO 1997
Orders, sales, income from continuing operations, net income and earnings per share exceeded the levels achieved in all prior years. Incoming orders were 15% higher than in 1997, with the recent acquisitions of Blagdon Pump (April 1997), Knight Equipment (December 1997) and Gast Manufacturing (January 1998) contributing all of the growth. Orders in the base businesses decreased 6% in 1998 compared to 1997.

Net sales for 1998 reached $640.1 million and increased $87.9 million, or 16%, over 1997 due to inclusion of the recently acquired Gast, Knight, and Blagdon businesses. Overall base business volume was down about 5% in 1998 and foreign currency translation had a negative effect of 1% on the Company's sales growth. In 1998, total international sales in base businesses were down 9%, primarily due to economic conditions in Asia and Latin America. Base business domestic sales were down 2%. Sales to the Far East and Asian countries from base businesses declined by about 29%, and represented 6% of total base business sales in 1998 versus 8% in 1997. Sales to customers outside the U.S. were 39% of total sales in 1998 compared with 44% in 1997. The decline in international sales as a percent of total sales was primarily attributable to inclusion in 1998 of Gast, whose international sales represent about 20% of its total sales. Total domestic sales increased by 27% in 1998, while international sales grew by only 3%.

Pump Products Group sales of $375.7 million in 1998 increased by $109.8 million, or 41%, from 1997 due to the recently acquired Blagdon, Knight and Gast businesses. Base business sales volume was down 4% in 1998 and foreign currency translation had almost no effect on the Group's sales. Sales to customers outside the U.S. declined to 32% of total group sales in 1998 from 36% in 1997 principally due to the inclusion of Gast in 1998.

Dispensing Equipment Group sales of $122.8 million decreased $15.4 million, or 11%, compared to 1997. The decrease reflected conditions in the domestic paint dispensing markets and lower sales to the Far East, Asia and Latin America. Foreign currency translation had a negative effect of 1% on this Group's sales volume. Sales to customers outside the U.S. were 46% of total group sales in 1998, down slightly from 47% in 1997.

Other Engineered Products sales of $144.0 million decreased by $6.5 million, or 4%, compared to 1997. The decrease reflected conditions in the fire and rescue equipment markets and lower sales to the Far East and Asia. Foreign currency translation had a negative effect of 1% on this Group's sales volume. Sales to customers outside the U.S. were 53% of total group sales in 1998, down from 57% in 1997.

Management's Discussion & Analysis of
Financial Condition & Results of Operations

Company and Business Group Financial Information
(dollars in thousands)

For the years ended December 31, (1)	1998	1997	1996
PUMP PRODUCTS GROUP			
Net sales (2)	$ 375,692	$ 265,918	$ 245,620
Operating income (3)	74,812	61,443	55,129
Operating margin	19.9%	23.1%	22.4%
Identifiable assets	$ 370,578	$ 237,870	$ 183,749
Depreciation and amortization	19,326	10,193	9,509
Capital expenditures	8,652	6,875	5,175
DISPENSING EQUIPMENT GROUP			
Net sales (2)	$ 122,844	$ 138,202	$ 80,169
Operating income (3)	22,483	25,636	14,370
Operating margin	18.3%	18.5%	17.9%
Identifiable assets	$ 151,380	$ 156,304	$ 167,986
Depreciation and amortization	7,132	7,092	3,523
Capital expenditures	4,000	3,000	3,485
OTHER ENGINEERED PRODUCTS GROUP			
Net sales (2)	$ 144,004	$ 150,455	$ 149,949
Operating income (3)	24,596	26,426	26,595
Operating margin	17.1%	17.6%	17.7%
Identifiable assets	$ 158,930	$ 166,189	$ 173,030
Depreciation and amortization	6,275	6,916	7,434
Capital expenditures	5,328	3,318	2,940
COMPANY			
Net sales	$ 640,131	$ 552,163	$ 474,699
Operating income	109,543	103,595	87,616
Operating margin	17.1%	18.8%	18.5%
Income before interest expense and income taxes	$ 110,022	$ 102,902	$ 86,920
Total assets	695,811	599,193	569,745
Depreciation and amortization (4)	32,935	24,293	20,672
Capital expenditures	20,763	13,562	11,634

(1) Includes acquisition of Blagdon Pump (April 4, 1997), Knight Equipment (December 9, 1997) and Gast Manufacturing (January 21, 1998) in the Pump Products Group; and acquisition of Fluid Management (July 29, 1996) in the Dispensing Equipment Group.
(2) Group net sales include intersegment sales.
(3) Group operating income excludes net unallocated corporate operating expenses.
(4) Excludes amortization of debt issuance expenses.

Gross profits of $252.8 million in 1998 increased by $30.5 million, or 14% from 1997. Gross profit as a percent of sales was 39.5% in 1998, down from 40.3% in 1997. Selling, general and administrative expenses increased to $132.6 million in 1998 from $110.6 million in 1997, and as a percent of net sales, increased to 20.7% from 20.0% in 1997. Goodwill amortization increased by 31% to $10.7 million in 1998 from $8.2 million in 1997. As a percent of sales, goodwill amortization amounted to 1.7% in 1998, up from 1.5% in 1997. The year-over-year increases in gross profit; selling, general and administrative expenses; and goodwill amortization were primarily due to the inclusion of the recently acquired businesses.

Operating income increased by $5.9 million, or 6%, to $109.5 million in 1998 from $103.6 million in 1997. Operating income as a percent of sales decreased to 17.1% in 1998 from 18.8% in 1997. In the Pump Products Group, operating income of $74.8 million and operating margin of 19.9% in 1998 compared to the $61.4 million and 23.1% recorded in 1997. The operating margin decline for the Pump Products Group resulted from the inclusion of recently acquired businesses, whose operating margins were lower than other business units in the Group and whose operating income was further reduced by purchase accounting adjustments. Operating margins in the base businesses of the Pump Products Group improved slightly despite the sales decline. Operating income in the Dispensing Equipment Group of $22.5 million decreased by $3.1 million, principally due to lower sales volume and costs associated with closing a small plant in McKees Rocks, Pennsylvania. Operating margins in the Dispensing Equipment Group of 18.3% in 1998 decreased slightly from the 18.5% achieved in 1997 due to costs associated with the plant closing. Without this charge, operating margins would have increased despite the sales decline. Operating income in the Other Engineered Products Group of $24.6 million and operating margin of 17.1% in 1998 decreased from $26.4 million and 17.6% achieved in 1997, principally due to lower volume.

Interest expense increased to $22.4 million in 1998 from $18.4 million in 1997 because of the additional borrowings to complete the Blagdon, Knight and Gast acquisitions, partially offset by lower interest rates, debt reductions from operating cash flow and the proceeds from the sale of discontinued businesses.

The provision for income taxes increased to $33.3 million in 1998 from $31.0 million in 1997. The effective tax rate increased to 37.9% in 1998 from the 36.7%, mainly due to higher nondeductible goodwill amortization resulting from the recent acquisitions.

Income from continuing operations of $54.4 million in 1998 was 2% higher than income of $53.5 million in 1997. Diluted earnings per share from continuing operations amounted to $1.81 in 1998, an increase of 3 cents per share from the $1.78 achieved in 1997. Diluted earnings per share in 1998 were reduced by approximately 3 cents per share because of the one-time charge for the plant closing.

During 1998, the Company recorded income of $10.2 million, or 34 cents per share, from discontinued operations. This included a net gain of $9.0 million related to the sales of discontinued businesses during 1998. The Company completed the sale of Vibratech on June 9, 1998, and the sale of Strippit on August 25, 1998.

In the first quarter of 1998, the Company retired at a premium, its 9.75% $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.

Total net income of $62.1 million in 1998 was 6% higher than net income of $58.6 million in 1997. Diluted earnings per share on a net income basis were $2.07 per share in 1998, an increase of 12 cents per share, or 6%, from the $1.95 per share achieved in 1997.

PERFORMANCE IN 1997 COMPARED TO 1996

In 1997, orders, sales, income from continuing operations, net income and earnings per share exceeded the levels achieved in all prior years. Incoming orders were 15% higher in 1997 than in 1996, with recent acquisitions of Fluid Management (July 1996), Blagdon Pump (April 1997) and Knight Equipment (December 1997) contributing the majority of the growth. The orders for the base businesses increased 3% in 1997 compared to 1996.

Net sales for 1997 reached $552.2 million and increased by $77.5 million, or 16%, over 1996. Overall base business sales volume was up about 3% in 1997, with acquisitions accounting for 14% of total growth and foreign currency translation having a negative 1% effect. International sales contributed 44% of the 1997 total, up from 43% in 1996. The increase in international sales contributed approximately 50% of the year-over-year improvement in total sales.

Pump Products Group sales of $265.9 million in 1997 increased by $20.3 million, or 8%, from 1996 with approximately two-thirds of the increase occurring in the Group's base businesses and the remaining increase resulting from the recently acquired Blagdon and Knight businesses. Total group sales to customers outside the U.S. in 1997 were 36% of total sales, unchanged from 1996.

Dispensing Equipment Group sales of $138.2 million increased by $58.0 million, or 72%, compared to 1996 with almost all of the increase resulting from inclusion of Fluid Management for a full year in 1997. Base business sales in 1997 were essentially equal to the prior year as a result of steady demand for this Group's products. Sales to customers outside the U.S. increased to 47% of total Dispensing Equipment shipments in 1997, up from 42% in 1996, principally due to the inclusion of Fluid Management in 1997 for a full year.

Other Engineered Products Group sales of $150.5 million in 1997 were essentially equal to 1996 as a result of consistent demand for this Group's products. Sales to customers outside the U.S. increased to 57% of total Other Engineered Products shipments in 1997, up slightly from 56% in 1996.

Gross profit of $222.4 million in 1997 increased by $35.3 million, or 19%, from 1996. Gross profit as a percent of sales was 40.3% in 1997, up from 39.4% in 1996. The improvement in gross profit margin principally was due to sales volume growth, product mix and manufacturing efficiency improvements. Selling, general and administrative expenses increased to $110.6 million in 1997 from $93.2 million in 1996, and as a percent of net sales, increased slightly to 20.0% from 19.6% in 1996. Goodwill amortization increased by 31% to $8.2 million in 1997 from $6.2 million in 1996. As a percent of sales, goodwill amortization totaled 1.5% in 1997 compared to 1.3% in 1996. The year-over-year increases in gross profit; selling, general and administrative expenses; and goodwill amortization are primarily due to the inclusion of Fluid Management for a full year in 1997.

Operating income increased by $16.0 million, or 18%, to $103.6 million in 1997 from $87.6 million in 1996. Operating income as a percent of sales increased to 18.8% in 1997 from 18.5% in 1996. In the Pump Products Group, operating income of $61.4 million and operating margin of 23.1% in 1997 compared to the $55.1 million and 22.4% recorded in 1996. Operating margin improvements resulted primarily from volume-related gains. Operating income in the Dispensing Equipment Group of $25.6 million and operating margin of 18.5% in 1997 compared to the $14.4 million and 17.9% recorded in 1996. The increase in operating income for the Dispensing Equipment Group primarily reflected the full year inclusion of Fluid Management in 1997. Operating income in the Other Engineered Products Group of $26.4 million and operating margin of 17.6% in 1997 were essentially equal to the totals of $26.6 million and 17.7% achieved in 1996.

Interest expense increased to $18.4 million in 1997 from $17.5 million in 1996 because of the additional long-term debt incurred to complete the acquisitions of Fluid Management, Blagdon Pump and Knight Equipment, partially offset by debt reductions from operating cash flow in 1997.

From left to right:
Vice Presidents -
Dennis Metcalf (Corporate Development), Jerry Derck (Human Resources),
Frank Notaro (General Counsel and Secretary)

[Graph]

The provision for income taxes increased to $31.0 million in 1997 from $25.0 million in 1996. The effective tax rate increased to 36.7% in 1997 from 36.0% in 1996 due to the changing mix of international earnings and state franchise taxes.

Income from continuing operations of $53.5 million in 1997 was 20% higher than income of $44.4 million in 1996. Diluted earnings per share from continuing operations amounted to $1.78 in 1997, an increase of 29 cents per share, or 19%, from $1.49 achieved in 1996.

The Company recorded income of $5.1 million, or 17 cents per share, from discontinued operations in 1997 compared with $5.8 million, or 20 cents per share, in 1996.

Total net income of $58.6 million in 1997 was 17% higher than net income of $50.2 million in 1996. Diluted earnings per share on a net income basis were $1.95 in 1997, an increase of 26 cents per share, or 15%, from the $1.69 achieved in 1996.

LIQUIDITY AND CAPITAL RESOURCES

[Graph]

At December 31, 1998, IDEX's working capital was $115.6 million and its current ratio was 2.4 to 1. The Company's cash flow from continuing operations in 1998 of $88.2 million remained strong, increasing by $6.7 million from 1997. The improvement reflected a higher level of earnings before depreciation and amortization. Cash flow from discontinued operations in 1998 decreased by $1.5 million to $4.2 million, principally due to 1998 including only a partial year of operations.

Net cash flows provided from operating activities was more than adequate to fund capital expenditures of $20.8 million, $13.6 million and $11.6 million in 1998, 1997 and 1996, respectively. Capital expenditures were generally for machinery and equipment which improved productivity, although a portion was for repair and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plant and equipment to meet expected needs for future growth in the intermediate term.

The Company acquired Gast Manufacturing Corporation on January 21, 1998, at a net cash 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 U.S. bank credit facilities.

In December 1997, IDEX announced its intention to divest the Strippit and Vibratech businesses. The company completed the sale of Vibratech on June 9, 1998, for $23.0 million in cash, and the sale of Strippit on August 25, 1998, for $19.5 million in cash and notes. The sale of

Vibratech generated a gain on disposition, while the Strippit sale resulted in a small loss. The proceeds were used to repay borrowings under the Company's U.S. bank credit facilities. In 1998, these two businesses contributed net income of $10.2 million, including a net gain of $9.0 million (net of taxes of $3.1 million) from the sale of these units.

On February 18, 1998, IDEX sold $150 million of Senior Notes due February 15, 2008, with a coupon interest rate of 6.875%, and an effective rate of 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 9.75% Senior Subordinated Notes due 2002. This redemption resulted in an extraordinary loss of $2.5 million, net of an income tax benefit of $1.5 million.

At December 31, 1998, the maximum amount available under the U.S. Credit Agreement was $235 million, of which $86.6 million was borrowed, including a Netherlands guilder borrowing of NGL 82 million ($43.6 million), which provides an economic hedge against the net investment in Fluid Management's Netherlands operation. The availability under this facility declines in stages commencing July 1, 1999, to $185 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 December 31, 1998, the applicable margin was 35 basis points. The Company also has a $15 million demand line of credit available for short-term borrowing requirements at the bank's reference rate or at an optional rate based on the bank's cost of funds. At December 31, 1998, the Company had $5 million borrowed under this short-term line of credit at an interest rate of 5.60% per annum.

On May 23, 1997, the Company's Lukas subsidiary entered into an amended German credit agreement improving the interest rate structure and eliminating certain reductions in availability. In December 1998, Lukas again amended the German credit agreement eliminating the reduction scheduled for November 1, 1999. At December 31, 1998, the maximum amount available under the German credit agreement was DM 52.5 million ($31.5 million), and DM 52 million ($31.2 million) was being used, which provides an economic hedge against the net investment in this operation in Germany. The availability under this agreement declines to DM 37.0 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 December 31, 1998, the applicable margin was 62.5 basis points.

On October 20, 1998, IDEX's Board of Directors authorized the repurchase of up to 1.5 million shares of common stock either at market prices or on a negotiated basis as market conditions warrant, which will be funded with borrowings under the Company's existing lines of credit. During 1998, no shares had been repurchased under the program.

IDEX believes it will generate sufficient cash flow from operations in 1999 to meet its operating requirements, interest and scheduled amortization payments under the U.S. Credit Agreement, demand line and the German credit agreement, interest and principal payments on the Senior Notes, any share repurchases, approximately $25 million of planned capital expenditures, and approximately $17 million of annual dividend payments to holders of common stock. From commencement of operations in January 1988 until December 31, 1998, IDEX has borrowed $578 million under its various credit facilities to complete 13 acquisitions. During this same period IDEX generated, principally from operations, cash flow of $464 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.

YEAR 2000

IDEX initiated a Year 2000 compliance program in late 1996 to ensure that its information systems and other date-sensitive equipment continue an uninterrupted transition into the Year 2000. The Company is currently in the final phases of correcting systems with identified deficiencies and is performing the final validation testing of its Year 2000 compliance program. IDEX currently believes all essential processes, systems, and business functions will comply with the Year 2000 requirements by the middle of 1999. While IDEX does not expect that the consequences of any unsuccessful modifications would significantly affect its financial position, liquidity or results of operations, there can be no assurance that failure to be fully compliant by 2000 would not have an impact on the Company.

The Company is also surveying critical suppliers and customers to ensure that their systems will be Year 2000 compliant and anticipates this survey will be complete by April 1999. While the failure of a single third party to timely achieve Year 2000 compliance should not have a material adverse effect on IDEX's results of operations in a particular period, the failure of several key third parties to achieve such compliance could have such an effect. IDEX will develop contingency plans by mid-1999 to alter business relationships in the event certain third parties fail to become Year 2000 compliant.

The cost of IDEX's Year 2000 transition program is being funded with cash flows from operations. Some of these costs relate solely to the modification of existing systems, while others are for new systems, which will improve business functionality. In total, these costs are not expected to be substantially different from the normal, recurring costs that are incurred for system development and implementation, in part due to the reallocation of internal resources to implement the new business systems. Expenditures related to this program are projected to total approximately $6 million.

EURO PREPARATIONS

At December 31, 1998, the Company had upgraded its business systems to accommodate the Euro currency. The cost of this upgrade was not material to the Company's financial results. Although difficult to predict, any competitive implications and any impact on existing financial instruments resulting from the Euro implementation are not expected to be material to the Company's financial position, liquidity or results of operations.

IDEX Corporation & Subsidiaries
Consolidated Balance Sheets
(in thousands except share and per share amounts)

As of December 31,	1998	1997
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,721	$ 11,771
Receivables - net	86,006	80,766
Inventories	101,201	84,240
Net current assets of companies held for disposition	-	16,200
Other current assets	5,972	4,290
Total current assets	195,900	197,267
Property, plant and equipment - net	125,422	88,628
Intangible assets - net	360,810	293,803
Net noncurrent assets of companies held for disposition	-	13,089
Other noncurrent assets	13,679	6,406
Total assets	$ 695,811	$ 599,193
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 39,521	$ 34,991
Dividends payable	4,125	3,949
Accrued expenses	36,619	38,861
Total current liabilities	80,265	77,801
Long-term debt	283,410	258,417
Other noncurrent liabilities	46,099	24,304
Total liabilities	409,774	360,522
Commitments and contingencies (Note 6)		
Shareholders' equity		
Common stock, par value $.01 per share Shares authorized 1998 and 1997 - 75,000,000 Shares issued and outstanding: 1998 - 29,466,416; 1997 - 29,249,608	295	292
Additional paid-in capital	96,064	90,506
Retained earnings	195,465	149,403
Minimum pension liability adjustment	(1,489)	(756)
Accumulated translation adjustment	(4,298)	(774)
Total shareholders' equity	286,037	238,671
Total liabilities and shareholders' equity	$ 695,811	$ 599,193

See Notes to Consolidated Financial Statements.

IDEX Corporation & Subsidiaries
Statements of Consolidated Operations
(in thousands except per share amounts)

For the years ended December 31,	1998	1997	1996
Net sales	$ 640,131	$ 552,163	$ 474,699
Cost of sales	387,285	329,806	287,625
Gross profit	252,846	222,357	187,074
Selling, general and administrative expenses	132,627	110,588	93,217
Goodwill amortization	10,676	8,174	6,241
Operating income	109,543	103,595	87,616
Other income (expense) - net	479	(693)	(696)
Income before interest expense and income taxes	110,022	102,902	86,920
Interest expense	22,359	18,398	17,476
Income before income taxes	87,663	84,504	69,444
Provision for income taxes	33,267	31,029	25,020
Income from continuing operations before extraordinary item	54,396	53,475	44,424
Discontinued operations:			
Income from discontinued operations, net of taxes	1,202	5,151	5,774
Gain on sale of discontinued operations, net of taxes	8,980	-	-
Income from discontinued operations	10,182	5,151	5,774
Extraordinary loss from early extinguishment of debt, net of taxes	(2,514)	-	-
Net income	$ 62,064	$ 58,626	$ 50,198

EARNINGS PER COMMON SHARE - BASIC:

Continuing operations	$ 1.85	$ 1.83	$ 1.54
Discontinued operations	.36	.18	.20
Extraordinary loss from early extinguishment of debt	(.09)	-	-
Net income	$ 2.12	$ 2.01	$ 1.74

EARNINGS PER COMMON SHARE - DILUTED:

Continuing operations	$ 1.81	$ 1.78	$ 1.49
Discontinued operations	.34	.17	.20
Extraordinary loss from early extinguishment of debt	(.08)	-	-
Net income	$ 2.07	$ 1.95	$ 1.69

SHARE DATA:

Weighted average common shares outstanding	29,332	29,184	28,818
Weighted average common shares outstanding assuming full dilution	30,052	29,999	29,779

See Notes to Consolidated Financial Statements.

IDEX Corporation & Subsidiaries Statements of Consolidated Shareholders' Equity (in thousands except share and per share amounts)

	Common Stock and Additional Paid-In Capital	Retained Earnings	Minimum Pension Liability Adjustment	Accumulated Translation Adjustment	Total Shareholders' Equity
Balance, December 31, 1995	$ 86,309	$ 67,729	$ -	$ (3,093)	$ 150,945
Net Income		50,198			50,198
Unrealized translation adjustment, net of taxes				3,418	3,418
Comprehensive income		50,198		3,418	53,616
Issuance of 113,550 shares of common stock related to an acquisition	2,271				2,271
Issuance of 116,891 shares of common stock from exercise of stock options	1,366				1,366
Cash dividends declared - $.440 per common share outstanding		(12,689)			(12,689)
Balance, December 31, 1996	89,946	105,238	-	325	195,509
Net income		58,626			58,626
Other comprehensive income, net of taxes					
Unrealized translation adjustment				(1,099)	(1,099)
Minimum pension adjustment			(756)		(756)
Other comprehensive income			(756)	(1,099)	(1,855)
Comprehensive income		58,626	(756)	(1,099)	56,771
Issuance of 323,741 shares of common stock from exercise of stock options, net of those surrendered	852				852
Cash dividends declared - $.495 per common share outstanding		(14,461)			(14,461)
Balance, December 31, 1997	90,798	149,403	(756)	(774)	238,671
Net income		62,064			62,064
Other comprehensive income, net of taxes					
Unrealized translation adjustment				(3,524)	(3,524)
Minimum pension adjustment			(733)		(733)
Other comprehensive income			(733)	(3,524)	(4,257)
Comprehensive income		62,064	(733)	(3,524)	57,807
Issuance of 216,808 shares of common stock from exercise of stock options, net of those surrend-ered, and earned compensation	5,561				5,561
Cash dividends declared - $.545 per common share outstanding		(16,002)			(16,002)
Balance, December 31, 1998	$ 96,359	$ 195,465	$ (1,489)	$ (4,298)	$ 286,037

See Notes to Consolidated Financial Statements.

IDEX Corporation & Subsidiaries
Statements of Consolidated Cash Flows
(in thousands)

For the years ended December 31,	1998	1997	1996
Cash flows from operating activities			
Income from continuing operations	$ 54,396	$ 53,475	$ 44,424
Adjustments to reconcile to net cash provided by continuing operations:			
Depreciation and amortization	20,747	14,350	12,532
Amortization of intangibles	12,188	9,943	8,140
Amortization of debt issuance expenses	640	650	640
Deferred income taxes	3,445	6,304	4,385
Decrease (increase) in receivables	7,360	3,605	(6,587)
Decrease in inventories	1,199	7,659	13,025
Increase (decrease) in trade accounts payable	10	(2,216)	(949)
Decrease in accrued expenses	(11,224)	(8,117)	(2,312)
Other - net	(538)	(4,091)	4,390
Net cash provided by continuing operations	88,223	81,562	77,688
Net cash provided by discontinued operations	4,159	5,669	12,427
Net cash flows from operating activities	92,382	87,231	90,115
Cash flows from investing activities			
Additions to property, plant and equipment	(20,763)	(13,562)	(11,634)
Acquisition of businesses (net of cash acquired)	(118,088)	(49,744)	(132,584)
Proceeds from sale of businesses	39,695	-	-
Net cash flows from investing activities	(99,156)	(63,306)	(144,218)
Cash flows from financing activities			
Borrowings under credit agreements for acquisitions	118,088	36,198	136,100
(Repayments) borrowings - other long-term debt	(9,962)	13,546	-
Net repayments under credit agreements	(166,314)	(51,909)	(71,514)
Proceeds from issuance of 6.875% Senior Notes	150,000	-	-
Repayment of 9.75% Senior Subordinated Notes	(75,000)	-	-
Financing payments	(5,031)	-	-
Increase (decrease) in accrued interest	1,769	(736)	939
Dividends paid	(15,826)	(13,983)	(12,278)
Net cash flows from financing activities	(2,276)	(16,884)	53,247
Net (decrease) increase in cash	(9,050)	7,041	(856)
Cash and cash equivalents at beginning of year	11,771	4,730	5,586
Cash and cash equivalents at end of year	$ 2,721	$ 11,771	$ 4,730
Supplemental cash flow information			
Cash paid for:			
Interest	$ 20,070	$ 18,781	$ 17,363
Income taxes	36,568	25,446	23,686

See Notes to Consolidated Financial Statements.

IDEX Corporation & Subsidiaries
Notes to Consolidated Financial Statements
(in thousands except share and per share amounts)

1. SIGNIFICANT ACCOUNTING POLICIES

Business

IDEX Corporation ("IDEX" or the "Company") is a manufacturer of a broad range of proprietary pump products, dispensing equipment, and other engineered products sold to a diverse customer base in a variety of industries in the U.S. and internationally. Its products include industrial pumps and related controls for use in a wide variety of process applications; precision-engineered equipment for dispensing, metering and mixing paints, and oil and grease lubrication systems; and proprietary engineered products for industrial and commercial markets including fire and rescue, transportation equipment, oil and gas, electronics, communications, and traffic and commercial signs. These activities are grouped into three business segments: Pump Products, Dispensing Equipment and Other Engineered Products.

Principles of Consolidation

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

Use of Estimates

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

Revenue Recognition

The Company recognizes revenue from product sales upon shipment. The Company estimates and records provisions for sales returns, allowances and original warranties in the period the sale is reported, based on its experience.

Cash Equivalents

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

Inventories

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

Debt Expenses

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

Reclassifications

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year presentation.

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 average shares outstanding using the treasury stock method.

Basic weighted average shares reconciles to fully diluted weighted average shares as follows:

	1998	1997	1996
Basic weighted average common shares outstanding	29,332	29,184	28,818
Dilutive effect of stock options	720	815	961
Weighted average common shares outstanding assuming full dilution	30,052	29,999	29,779

Depreciation and Amortization

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

Land improvements	10 to 12 years

Buildings and improvements	3 to 30 years
Machinery and equipment and engineering drawings	3 to 12 years
Office and transportation equipment	3 to 10 years

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

The carrying amount of all long-lived assets is evaluated periodically to determine if adjustment to the depreciation or amortization period or to the unamortized balance is warranted. Such evaluation is based on the expected utilization of the long-lived assets and the projected, undiscounted cash flows of the operations in which the long-lived assets are deployed.

Research and Development Expenditures

Expenditures associated with research and development are expensed in the year incurred (except for software development capitalized under SFAS 86) and are included in cost of sales. Research and development expenses, which include costs associated with the development of new products and major improvements to existing products, were $6.3 million, $6.7 million and $6.0 million in 1998, 1997 and 1996, respectively.

New Accounting Pronouncements

During 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income," SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," and SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." In accordance with SFAS No. 130, the Company expanded its reporting and display of comprehensive income and its components in the Statements of Consolidated Shareholders' Equity. SFAS No. 131 establishes standards for reporting information about operating segments and related disclosures about products and services, geographic areas and major customers. Pursuant to SFAS No. 131, IDEX modified its disclosures on segment reporting included in Note 10. The new disclosure required for pensions and other postretirement benefits according to SFAS No. 132 is included in Note 12. The adoption of these statements had no effect on the Company's reported financial position, results of operations or cash flows.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. This statement is effective for fiscal years beginning after June 15, 1999. Management is still assessing the effects adoption of SFAS No. 133 will have on its financial position, results of operations or cash flows.

2. ACQUISITIONS

On January 21, 1998, IDEX completed the acquisition of Gast Manufacturing Corporation (Gast) for a cash purchase price of $118.1 million, with financing provided by borrowings under the Company's U.S. bank credit facilities. Gast, headquartered in Benton Harbor, Michigan, is one of the world's leading manufacturers 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, which manufactures air-operated diaphragm pumps, is located in Washington, Tyne & Wear, England, and is operated as part of Warren Rupp. Knight, based in Lake Forest, California, is a leading manufacturer of pumps and dispensing equipment for industrial laundries, commerical dishwashing and chemical metering, and is operated as part of Pulsafeeder.

Each of these acquisitions was accounted for as a purchase, and operating results include the acquisitions from the dates of purchase. Cost in excess of net assets acquired is amortized on a straight-line basis over a period of 30 to 40 years.

The unaudited pro forma consolidated results of operations for the years ended December 31, 1998 and 1997, reflecting the allocation of the purchase price and related financing of the transactions are as follows, assuming that these acquisitions had occurred at the beginning of each of the respective periods.

	1998	1997
Net sales	$ 646,325	$ 679,655
Income from continuing operations	54,294	55,198
Net income	61,962	60,349
Basic EPS		
Continuing operations	1.85	1.89
Net income	2.11	2.07
Diluted EPS		
Continuing operations	1.81	1.84
Net income	2.06	2.01

The liabilities assumed that represent noncash investing activities in connection with the acquisition of businesses for 1998, 1997 and 1996 were as follows:

	1998	1997	1996
Fair value of assets acquired	$ 71,206	$ 16,884	$ 51,055
Cost in excess of net assets acquired	75,942	38,599	101,473
Cash paid	(118,088)	(49,744)	(132,584)
Common stock issued in connection with acquisition	-	-	(2,271)
Liabilities assumed	$ 29,060	$ 5,739	$ 17,673

3. DISCONTINUED OPERATIONS

In December 1997, IDEX announced its intention to divest the Strippit and Vibratech businesses. The Company completed the sale of Vibratech on June 9, 1998, for $23.0 million in cash, and the sale of Strippit on August 25, 1998, for $19.5 million in cash and notes. The sale of Vibratech generated a gain on disposition, while the Strippit sale resulted in a small loss. The proceeds were used to repay borrowings under the Company's U.S. bank credit facilities. In 1998, these two businesses contributed net income of $10.2 million, including a net gain of $9.0 million (net of taxes of $3.1 million) from the sale of these units.

Revenues from discontinued operations amounted to $42.1 million, $83.9 million and $87.9 million in 1998, 1997 and 1996, respectively. Income from discontinued operations is net of taxes of $.7 million, $3.1 million and $3.6 million for 1998, 1997 and 1996, respectively. At December 31, 1997, the assets and liabilities of these operations, consisting primarily of receivables, inventories, property and accounts payable, were classified as net current and net noncurrent assets held for disposition. Interest expense of $0.1 million, $0.6 million and $1.5 million for 1998, 1997 and 1996, respectively, has been allocated to these operations based on their acquisition debt, less repayments generated from operating cash flows that can be specifically attributed to these operations.

(in thousands except share and per share amounts)

4. BALANCE SHEET COMPONENTS

The components of inventories at December 31, 1998 and 1997 were:

	1998	1997
Raw materials	$ 27,361	$ 20,841
Work in process	13,904	13,647
Finished goods	59,936	49,752
Total	$ 101,201	$ 84,240

Those inventories, which were carried on a LIFO basis, amounted to $81,317 and $65,080 at December 31, 1998 and 1997, respectively. The excess of current cost over LIFO inventory value and the impact of using the LIFO method on earnings are not material.

The components of certain other balance sheet accounts at December 31, 1998 and 1997 were:

	1998	1997
Receivables		
Customers	$ 86,915	$ 82,293
Other	1,575	1,034
Total	88,490	83,327
Less allowance for doubtful accounts	2,484	2,561
Receivables - net	$ 86,006	$ 80,766
Property, plant and equipment, at cost		
Land and improvements	$ 8,069	$ 7,184
Buildings and improvements	52,767	45,895
Machinery and equipment	151,696	112,795
Engineering drawings	3,237	3,281
Office and transportation equipment	33,138	22,900
Construction in progress	2,813	5,261
Total	251,720	197,316
Less accumulated depreciation and amortization	126,298	108,688
Property, plant and equipment - net	$ 125,422	$ 88,628
Intangible assets		
Cost in excess of net assets acquired	$ 387,209	$ 310,242
Other	24,963	22,416
Total	412,172	332,658
Less accumulated amortization	51,362	38,855
Intangible assets - net	$ 360,810	$ 293,803
Accrued expenses		
Accrued payroll and related items	$ 22,967	$ 22,426
Accrued taxes	870	4,851
Accrued insurance	3,731	3,006
Other	9,051	8,578
Total	$ 36,619	$ 38,861
Other noncurrent liabilities		
Pension and retiree medical reserves	$ 26,845	$ 13,722
Deferred income taxes	14,860	7,247
Other	4,394	3,335
Total	$ 46,099	$ 24,304

5. COMPREHENSIVE INCOME

The tax effects of the components of other comprehensive income for 1998, 1997 and 1996 were:

	1998	1997	1996

Unrealized translation adjustment:			
Pretax amount	$ (3,524)	$ (1,099)	$ 3,418
Tax benefit	-	-	-
Aftertax amount	$ (3,524)	$ (1,099)	$ 3,418
Minimum pension adjustment:			
Pretax amount	$ (1,109)	$ (1,181)	$ -
Tax benefit	376	425	-
Aftertax amount	$ (733)	$ (756)	$ -

6. COMMITMENTS AND CONTINGENCIES

At December 31, 1998, total minimum rental payments under noncancelable operating leases, primarily for office facilities, warehouses and data processing equipment, were $36.6 million. The minimum rental commitments for each of the next five years are as follows: 1999 - $7.7 million; 2000 - $6.5 million; 2001 - $4.8 million; 2002 - $3.0 million; 2003 - $2.0 million; thereafter - $12.6 million.

Rental expense totaled $8.7 million, $6.7 million and $5.0 million for the years ended December 31, 1998, 1997 and 1996, respectively.

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

7. STOCK OPTIONS

The Company has stock option plans for outside directors, executives and certain key employees. These options are accounted for using the intrinsic value method and, accordingly, no compensation cost has been recognized. Had compensation cost been determined using the fair value method in 1998, 1997 and 1996, the Company's pro forma net income and EPS would have been as follows:

	1998	1997	1996
Net income			
As reported	$ 62,064	$ 58,626	$ 50,198
Pro forma	59,602	57,063	49,312
Basic EPS			
As reported	2.12	2.01	1.74
Pro forma	2.03	1.96	1.71
Diluted EPS			
As reported	2.07	1.95	1.69
Pro forma	1.98	1.90	1.66

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions for 1998, 1997 and 1996, respectively: dividend yield of 1.55%, 1.94% and 1.70%; volatility of 27.7%, 28.9% and 28.6%; risk-free interest rates of 5.6%, 6.6% and 6.2%; and expected lives of 5.5 years.

The Compensation Committee of the Board of Directors administers the plans and approves stock option grants. The Company may grant additional options for up to 1.9 million shares. Stock options granted under the plans are exercisable at a price equal to the market value of the stock at the date of grant. The options become exercisable from one to five years from the date of grant and generally expire 10 years from the date of grant. The following table summarizes option activity under the plans:

	Number of Options	Weighted Average Option Price Per Share
Outstanding at December 31, 1995	1,854,608	$ 11.27
Granted	442,875	25.56
Exercised	(116,891)	6.32
Forfeited	(45,900)	20.63
Outstanding at December 31, 1996	2,134,692	14.27
Granted	514,250	24.90
Exercised	(431,748)	2.36
Forfeited	(87,980)	23.47
Outstanding at December 31, 1997	2,129,214	18.87
Granted	605,000	34.86
Exercised	(227,376)	14.01
Forfeited	(111,730)	28.07
Outstanding at December 31, 1998	2,395,108	22.89
Exercisable at December 31, 1996	953,482	8.38
Exercisable at December 31, 1997	943,431	14.25
Exercisable at December 31, 1998	1,124,197	16.43

The following table summarizes information about options outstanding at December 31, 1998:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Life of Contract	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0 to 11	142,825	2.9 years	$ 7.74	142,825	$ 7.74
12 to 23	966,855	5.4 years	16.26	775,030	15.54
24 to 34	1,285,428	8.5 years	29.57	206,342	25.79
Total	2,395,108	6.9 years	22.89	1,124,197	16.43

8. LONG-TERM DEBT

Long-term debt at December 31, 1998 and 1997 consisted of the following:

	1998	1997
Bank revolving credit facilities, including accrued interest	$ 128,692	$ 169,807
6.875% Senior Notes	150,000	-
9.75% Senior Subordinated Notes	-	75,000
Other long-term debt	4,718	13,610
Total	$ 283,410	$ 258,417

The Company has a $235 million domestic multi-currency bank revolving credit facility (U.S. Credit Facility). The availability under the U.S. Credit Facility declines in stages commencing July 1, 1999, to $185 million at July 1, 2000. Any amount outstanding at July 1, 2001, becomes due at that date. At December 31, 1998, approximately $144.6 million of the facility was unused.

Interest on the outstanding borrowings under the U.S. Credit Facility is payable quarterly at a rate based on the bank agent's reference rate or, at the Company's election, at a rate based on LIBOR plus 35 basis points per annum. The weighted average interest rate on outstanding borrowings under the U.S. Credit Facility was 4.96% at December 31, 1998. A facility fee equal to 15 basis points per annum is payable quarterly on the entire amount available under the U.S. Credit Facility.

The Company also has entered into a $15 million demand line of credit (Short-Term Facility) expiring on June 1, 1999. Borrowings under the Short-Term Facility are at the bank agent's reference rate, or at an optional rate based on the bank's cost of funds. At December 31, 1998, there was $5 million borrowed under the Short-Term Facility at an interest rate of 5.60% per annum.

A DM 52.5 million ($31.5 million) credit facility (German Facility) declines to DM 37.0 million at November 1, 2000. Any amount outstanding at November 1, 2001, becomes due at that date. At December 31, 1998, DM 52.0 million ($31.2 million) was outstanding. Interest is payable quarterly on the outstanding balance at LIBOR plus 62.5 basis points per annum.

Total long-term debt outstanding at December 31, 1998 and 1997 included $5.2 million and $3.4 million, respectively, of accrued interest as interest generally is paid through borrowings under the U.S. Credit Facility.

In February 1998, the Company sold $150 million of Senior Notes due February 15, 2008, with a coupon interest rate of 6.875% and an effective rate of 6.919% to maturity. Interest is payable semiannually. The Senior Notes are redeemable at any time at the option of the Company in whole or in part from time-to-time. At December 31, 1998, the fair market value of the Senior Notes was approximately $156 million based on the quoted market price. Proceeds from the Senior Note offering were used to reduce bank debt, and to repay in March 1998 the $75 million principal amount of the 9.75% Senior Subordinated Notes originally due in 2002. After related expenses and fees, this redemption resulted in an extraordinary loss of $2.5 million, or 8 cents per diluted share, net of an income tax benefit of $1.5 million.

(in thousands except shares and per share amounts)

The U.S. Credit Facility and the Indenture for the Senior Notes permit the payment of cash dividends only to the extent that no default exists under these agreements and limit the amount of cash dividends in accordance with specified formulas. At December 31, 1998, under the most restrictive of these provisions, the Company has available approximately $84.8 million for the payment of cash dividends in 1999.

The Company does not use derivative financial instruments for trading or other speculative purposes. Interest rate swaps, a form of derivative, are used to manage interest rate risk. At December 31, 1998, the Company had entered into two interest rate swaps, expiring between August 1999 and August 2000, which have effectively converted approximately $44 million of floating rate debt into fixed rate debt at rates approximating 4.4%.

9. COMMON AND PREFERRED STOCK

On October 20, 1998, IDEX's Board of Directors authorized the repurchase of up to 1.5 million shares of its common stock either at market prices or on a negotiated basis as market conditions warrant. During 1998, the Company did not repurchase any of its common stock.

At December 31, 1998 and 1997, the Company had 5 million shares of preferred stock with a par value of $.01 per share authorized but unissued.

10. BUSINESS SEGMENTS AND GEOGRAPHIC INFORMATION

IDEX's operations have been aggregated (primarily on the basis of products, production processes, distribution methods and management organizations) into three reportable segments: Pump Products Group, Dispensing Equipment Group and Other Engineered Products Group. The Pump Products Group designs, produces and distributes a wide range of engineered industrial pumps and related controls for process applications. The Dispensing Equipment Group designs, manufactures and distributes precision-engineered equipment for dispensing, metering and mixing paints, and oil and grease lubrication systems. The Other Engineered Products Group designs, produces and distributes proprietary engineered equipment for industrial and commercial markets including fire and rescue, transportation equipment, oil and gas, electronics, communications, and traffic and commercial signs. No single customer accounted for more than 2% of net sales.

Information as to the operations of IDEX in different business segments is presented below based on the nature of products and services offered. IDEX evaluates performance based on several factors, of which operating income is the primary financial measure. The accounting policies of the business segments are described in Note 1. Intersegment sales are accounted for at fair value as if the sales were to third parties.

	1998	1997	1996
Net sales			
Pump Products			
From external customers	$ 373,333	$ 263,581	$ 244,641
Intersegment sales	2,359	2,337	979
Total group sales	375,692	265,918	245,620
Dispensing Equipment			
From external customers	122,796	138,129	80,112
Intersegment sales	48	73	57
Total group sales	122,844	138,202	80,169
Other Engineered Products			
From external customers	144,002	150,453	149,946
Intersegment sales	2	2	3
Total group sales	144,004	150,455	149,949
Intersegment elimination	(2,409)	(2,412)	(1,039)
Total net sales	$ 640,131	$ 552,163	$ 474,699
Operating income (1)			
Pump Products	$ 74,812	$ 61,443	$ 55,129
Dispensing Equipment	22,483	25,636	14,370
Other Engineered Products	24,596	26,426	26,595
Corporate office & other	(12,348)	(9,910)	(8,478)
Total operating income	$ 109,543	$ 103,595	$ 87,616
Assets			
Pump Products	$ 370,578	$ 237,870	$ 183,749
Dispensing Equipment	151,380	156,304	167,986
Other Engineered Products	158,930	166,189	173,030
Corporate office & other (2)	14,923	38,830	44,980

Total assets	$ 695,811	$ 599,193	$ 569,745
Depreciation and amortization (3)			
Pump Products	$ 19,326	$ 10,193	$ 9,509
Dispensing Equipment	7,132	7,092	3,523
Other Engineered Products	6,275	6,916	7,434
Corporate office & other	202	92	206
Total depreciation and amortization	$ 32,935	$ 24,293	$ 20,672
Capital expenditures			
Pump Products	$ 8,652	$ 6,875	$ 5,175
Dispensing Equipment	4,000	3,000	3,485
Other Engineered Products	5,328	3,318	2,940
Corporate office & other	2,783	369	34
Total capital expenditures	$ 20,763	$ 13,562	$ 11,634

(1) Represents business segment operating income after noncash amortization of intangible assets.

(2) Includes assets held for disposition of $29.3 million and $29.8 million at December 31, 1997 and 1996, respectively.

(3) Includes amortization relating to all business combinations accounted for by the purchase method, and excludes amortization of debt issuance expenses.

Information about the Company's operations in different geographical regions for the years ended December 31, 1998, 1997 and 1996 is shown below. Net sales were attributed to geographic areas based on location of the customer, and no country outside the U.S. was deemed material.

	1998	1997	1996
Net sales			
U.S.	$ 389,185	$ 307,492	$ 268,318
Europe	153,988	141,371	115,816
Other countries	96,958	103,300	90,565
Total net sales	$ 640,131	$ 552,163	$ 474,699
Long-lived assets			
U.S.	$ 396,826	$ 301,034	$ 274,047
Europe	98,667	96,160	99,004
Other countries	4,418	4,732	5,095
Total long-lived assets	$ 499,911	$ 401,926	$ 378,146

11. INCOME TAXES

Pretax income for the years ended December 31, 1998, 1997 and 1996 was taxed under the following jurisdictions:

	1998	1997	1996
Domestic	$ 61,139	$ 58,748	$ 49,694
Foreign	26,524	25,756	19,750
Total	$ 87,663	$ 84,504	$ 69,444

The provision for income taxes for the years ended December 31, 1998, 1997 and 1996 was as follows:

	1998	1997	1996
Current			
U.S.	$ 21,899	$ 17,178	$ 15,356
State and local	1,476	1,379	1,152
Foreign	6,447	6,168	4,127
Total current	29,822	24,725	20,635
Deferred			
U.S.	800	3,125	1,795
State and local	400	500	125
Foreign	2,245	2,679	2,465
Total deferred	3,445	6,304	4,385
Total provision for income taxes	$ 33,267	$ 31,029	$ 25,020

Deferred (prepaid) income taxes resulted from the following:

	1998	1997	1996
Employee and retiree benefit plans	$ 959	$ 1,481	$ (269)
Depreciation and amortization	2,848	3,536	852
Inventories	(895)	323	670
Allowances and accruals	79	2,103	3,745
Financing	(259)	(103)	(100)
Other	713	(1,036)	(513)
Total deferred tax provision	$ 3,445	$ 6,304	$ 4,385

Deferred tax assets (liabilities) related to the following at December 31, 1998 and 1997:

	1998	1997
Employee and retiree benefit plans	$ 6,764	$ 4,030
Depreciation and amortization	(23,846)	(12,545)
Inventories	(4,716)	(1,860)

Allowances and accruals	5,165	3,738
Financing	50	(209)
Other	2,663	1,731
Total	$ (13,920)	$ (5,115)

The consolidated balance sheets at December 31, 1998 and 1997 included current deferred tax assets of $940 and $2,132, respectively, included in "Other current assets" and noncurrent deferred tax liabilities of $14,860 and $7,247, respectively, included in "Other noncurrent liabilities."

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to pretax income. The computed amount and the differences for the years ended December 31, 1998, 1997 and 1996 were as follows:

	1998	1997	1996
Pretax income	$ 87,663	$ 84,504	$ 69,444
Provision for income taxes:			
Computed amount at statutory rate of 35%	$ 30,682	$ 29,576	$ 24,305
Foreign sales corporation	(1,340)	(1,113)	(1,091)
Amortization of cost in excess of net assets acquired	1,583	941	896
State and local income tax (net of federal tax benefit)	1,219	1,221	830
Other - net	1,123	404	80
Total provision for income taxes	$ 33,267	$ 31,029	$ 25,020

No provision has been made for U.S. or additional foreign taxes on $24.6 million of undistributed earnings of foreign subsidiaries, which are permanently reinvested. It is not practical to estimate the amount of additional tax which might be payable if these earnings were repatriated. However, the Company believes that U.S. foreign tax credits would, for the most part, eliminate any additional U.S. tax and offset any additional foreign tax.

(in thousands except shares and per share amounts)

12. RETIREMENT BENEFITS

The Company sponsors several qualified and nonqualified pension plans and other postretirement plans for its employees. The following table provides a reconciliation of the changes in the benefit obligations and fair value of plan assets over the two-year period ended December 31, 1998, and a statement of the funded status at December 31 for both years:

	Pension Benefits 1998	Pension Benefits 1997	Other Benefits 1998	Other Benefits 1997
Change in benefit obligation				
Obligation at January 1	$ 49,718	$ 43,361	$ 6,297	$ 5,364
Service cost	3,056	2,525	367	277
Interest cost	3,398	3,031	698	395
Plan amendments	232	16	-	-
Acquisitions	-	-	3,877	-
Benefits paid	(1,822)	(1,709)	(332)	(126)
Actuarial loss	4,260	2,494	279	387
Obligation at December 31	$ 58,842	$ 49,718	$ 11,186	$ 6,297
Change in plan assets				
Fair value of plan assets at January 1	$ 41,859	$ 31,922	$ -	$ -
Actual return on plan assets	2,367	7,622	-	-
Employer contributions	4,337	4,383	332	126
Benefits paid	(1,822)	(1,709)	(332)	(126)
Administrative expenses	(237)	(359)	-	-
Fair value of plan assets at December 31	$ 46,504	$ 41,859	$ -	$ -
Funded status				
Funded status at December 31	$(12,338)	$ (7,859)	$(11,186)	$ (6,297)
Unrecognized (gain) loss	5,452	(1,236)	(156)	611
Unrecognized transition obligation	380	357	-	-
Unrecognized prior service cost	2,167	2,195	(842)	(81)
Net amount recognized at December 31	$ (4,339)	$ (6,543)	$(12,184)	$ (5,767)

The following table provides the amounts recognized in the consolidated balance sheets at December 31 for both years:

Prepaid benefit cost	$ 5,665	$ 1,600	$ -	$ -
Accrued benefit liability	(13,440)	(10,376)	(12,184)	(5,767)
Intangible asset	1,146	1,052	-	-
Accumulated other comprehensive income	2,290	1,181	-	-
Net amount recognized	$ (4,339)	$ (6,543)	$(12,184)	$ (5,767)

The Company's nonqualified retirement plans and the retirement plan at Lukas are not funded. The accumulated benefit obligation for these plans was $12,199 and $9,339 at December 31, 1998 and 1997, respectively. The Company's plans for postretirement benefits other than pensions also have no plan assets. The accumulated benefit obligation for these plans was $11,186 and $6,297 at December 31, 1998 and 1997, respectively.

The assumptions used in the measurement of the Company's benefit obligation at December 31, 1998 and 1997 were as follows:

	U.S. Plans 1998	U.S. Plans 1997	Non U.S. Plans 1998	Non U.S. Plans 1997
Weighted-averaged assumptions				
Discount rate	6.75%	7.25%	6.0%	6.0-7.2%
Expected return on plan assets	9.00%	9.00%	7.0%	7.2%
Rate of compensation increase	4.00%	4.00%	4.0%	5.7%

The discount rate assumption for benefits other than pension benefits for U.S. plans was 6.75% and 7.25% at December 31, 1998 and 1997, respectively.

The following table provides the components of net periodic benefit cost for the plans in 1998, 1997 and 1996:

	Pension Benefits 1998	Pension Benefits 1997	Pension Benefits 1996	Other Benefits 1998	Other Benefits 1997	Other Benefits 1996
Service cost	$ 3,056	$ 2,525	$ 2,438	$ 367	$ 277	$ 249
Interest cost	3,398	3,031	2,808	698	395	348
Expected return on plan assets	(3,697)	(2,742)	(4,849)	-	-	-
Net amortization	295	202	2,789	(148)	(57)	(63)
Net periodic benefit cost	$ 3,052	$ 3,016	$ 3,186	$ 917	$ 615	$ 534

The amounts included in other comprehensive income arising from a change in the minimum pension liability was $(733) and $(756) at December 31, 1998 and 1997, respectively.

Prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation and the market value of assets are amortized over the average remaining service period of active participants.

Contributions to the multiemployer plan and defined contribution plans were $5,272, $4,423 and $3,265 for 1998, 1997 and 1996, respectively.

For measurement purposes, a 10% annual rate of increase in the per capita cost of covered health care benefits was assumed for 1998. The rate was assumed to decrease gradually each year to a rate of 6% for 2008 and remain at that level thereafter.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

	1% Increase	1% Decrease
Effect on the service and interest cost components of the net periodic benefit cost	$ 124	$ (89)
Effect on the health care component of the accumulated postretirement benefit obligation	$ 1,222	$ (1,021)

13. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)
The following is a summary of the unaudited quarterly results of operations for the years ended December 31, 1998 and 1997:

	1998 Quarters				1997 Quarters			
	First	Second	Third	Fourth	First	Second	Third	Fourth
Net sales	$159,084	$169,461	$159,406	$ 152,180	$131,375	$141,976	$141,799	$137,013
Gross profit	64,397	67,335	62,443	58,671	52,109	57,290	56,988	55,970
Operating income	28,392	30,443	27,517	23,191	23,966	25,966	26,568	27,095
Income from continuing operations	13,889	15,144	13,662	11,701	12,101	13,284	13,724	14,366
Net income	12,193	23,914	14,256	11,701	13,395	14,995	14,484	15,752
Basic EPS								
Continuing operations	$ .47	$ .52	$ .47	$ .40	$ .41	$ .46	$ .47	$ .49
Net income	.42	.82	.49	.40	.46	.51	.50	.54
Weighted average shares outstanding	29,267	29,308	29,339	29,413	29,178	29,180	29,226	29,247
Diluted EPS								
Continuing operations	$ .46	$ .50	$ .46	$ .39	$ .41	$ .44	$ .45	$ .48
Net income	.40	.79	.48	.39	.45	.50	.48	.52
Weighted average shares outstanding	30,207	30,311	29,980	29,930	29,809	30,028	30,333	30,210

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of IDEX Corporation

We have audited the accompanying consolidated balance sheets of IDEX Corporation and its subsidiaries as of December 31, 1998 and 1997 and the related statements of consolidated operations, consolidated shareholders' equity, and consolidated cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries at December 31, 1998 and 1997 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP
- ------------------------------
Deloitte & Touche LLP

Chicago, Illinois
January 19, 1999

MANAGEMENT REPORT

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

Management also is responsible for maintaining a system of internal control with the objectives of providing reasonable assurance that IDEX's assets are safeguarded against material loss from unauthorized use or disposition and that authorized transactions are properly recorded to permit the preparation of accurate financial data. Cost benefit judgments are an important consideration in this regard. The effectiveness of internal control is maintained by personnel selection and training, division of responsibilities, establishment and communication of policies, and ongoing internal review programs and audits. Management believes that IDEX's system of internal control as of December 31, 1998, is effective and adequate to accomplish the above described objectives.

/s/ Donald N. Boyce
- ------------------------------------
Donald N. Boyce
Chairman and Chief Executive Officer

/s/ Frank J. Hansen
- -------------------------------------
Frank J. Hansen
President and Chief Operating Officer

/s/ Wayne P. Sayatovic
- -------------------------------------
Wayne P. Sayatovic
Senior Vice President - Finance and Chief Financial Officer

Northbrook, Illinois
January 19, 1999

Business Units

Vice Presidents: (Seated center) Pete Merkel (Group Executive); (From left to right) John McMurray (Group Executive), Jim Fluharty (Corporate Marketing and Group Executive), Rod Usher (Group Executive), Dave Windmuller (Operations)

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

P. PETER MERKEL, JR.
Chairman
Age: 65
Years of Service: 26

ROGER N. GIBBINS
President
Age: 53
Years of Service: 14

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

STEVEN E. SEMMLER
President
Age: 43
Years of Service: 19

FLUID MANAGEMENT, INC.
1023 S. Wheeling Rd.
Wheeling, IL 60090
(847) 537-0880

LEENDERT HELLENBERG
President - Europe/Asia
Age: 53
Years of Service: 14

JOHN P. SNOW
President - Americas
Age: 54
Years of Service: 22

GAST MANUFACTURING, INC.
2300 Highway M-139
Benton Harbor, MI 49023
(616) 926-6171

WARREN E. GAST
Chairman
Age: 67
Years of Service: 46

DONALD D. RIMES
President
Age: 53
Years of Service: 28

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

WILLIAM D. KYSOR
President
Age: 51
Years of Service: 2

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

THOMAS L. ANDREWS
President
Age: 52
Years of Service: 8

MICROPUMP, INC.
1402 N.E. 136th Ave.
Vancouver, WA 98684
(360) 253-2008

JEFFREY L. HOHMAN
President
Age: 45
Years of Service: 8

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

RODNEY L. USHER
President
Age: 53
Years of Service: 18

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

JOHN L. MCMURRAY
President
Age: 48
Years of Service: 6

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

JEFFERY F. FEHR
President
Age: 47
Years of Service: 7

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

Corporate Officers & Directors

From left to right: Clint Kooman, Dennis Metcalf, Frank Notaro, Doug Lennox, John McMurray, Dave Windmuller, Don Boyce, Pete Merkel, Frank Hansen, Wayne Sayatovic, Jerry Derck, Rod Usher, Jim Fluharty

CORPORATE OFFICERS

Donald N. Boyce
Chairman of the Board and Chief Executive Officer
Age: 60
Years of Service: 29

Frank J. Hansen
President and Chief Operating Officer
Age: 57
Years of Service: 23

Wayne P. Sayatovic
Senior Vice President - Finance and Chief Financial Officer
Age: 52
Years of Service: 26

Jerry N. Derck
Vice President - Human Resources
Age: 51
Years of Service: 6

James R. Fluharty
Vice President - Corporate Marketing and Group Executive
Age: 55
Years of Service: 11

P. Peter Merkel, Jr.
Vice President - Group Executive
Age: 65
Years of Service: 26

John L. McMurray
Vice President - Group Executive
Age: 48
Years of Service: 6

Dennis L. Metcalf
Vice President - Corporate Development
Age: 51
Years of Service: 25

Frank J. Notaro
Vice President - General Counsel and Secretary
Age: 35
Years of Service: 1

Rodney L. Usher
Vice President - Group Executive
Age: 53
Years of Service: 18

David T. Windmuller
Vice President - Operations
Age: 41
Years of Service: 18

Clinton L. Kooman
Controller
Age: 55
Years of Service: 34

Douglas C. Lennox
Treasurer
Age: 46
Years of Service: 19

DIRECTORS

Donald N. Boyce []
Chairman of the Board and Chief Executive Officer
IDEX Corporation
Northbrook, Illinois
Age: 60
Years of Service: 11

Frank J. Hansen
President and Chief Operating Officer
IDEX Corporation
Northbrook, Illinois
Age: 57
Years of Service: 1

Richard E. Heath
Partner
Hodgson, Russ, Andrews, Woods & Goodyear
Buffalo, New York
Age: 68
Years of Service: 10

Henry R. Kravis
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 54
Years of Service: 11

William H. Luers [] []
President
Metropolitan Museum of Art
New York, New York
Age: 69
Years of Service: 10

Paul E. Raether
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 52
Years of Service: 11

Clifton S. Robbins []
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 40
Years of Service: 11

George R. Roberts
Member
Kohlberg Kravis Roberts & Co., L.L.C.
San Francisco, California
Age: 55
Years of Service: 11

Neil A. Springer [] [] []
Managing Director
Springer Souder & Assoc. L.L.C.
Chicago, Illinois
Age: 60
Years of Service: 9

Michael T. Tokarz []
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 49
Years of Service: 11

Member of:
[] Executive Committee
[] Audit Committee
[] Compensation Committee

NOTE: Years of service for
corporate officers includes periods
with predecessor to IDEX.

Shareholder Information

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

INVESTOR INFORMATION
Shareholders and prospective investors are welcome to call or write with questions or requests for additional information. Please direct inquiries to: Wayne P. Sayatovic, Senior Vice President - Finance and Chief Financial Officer. Further information on IDEX can be found on our World Wide Website at www.idexcorp.com.

REGISTRAR AND TRANSFER AGENT
Inquiries about stock transfers, address changes or IDEX's dividend reinvestment program should be directed to:

Harris Trust and Savings Bank
311 West Monroe Street
Chicago, Illinois 60690
(312) 461-2288

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

DIVIDEND POLICY
IDEX increased the quarterly dividend on its common stock beginning January 29, 1999, to $.14 per share per calendar quarter, up 4% from last year's dividend of $.135 per share. The declaration of future dividends, subject to certain limitations, is within the discretion of the Board of Directors and will depend upon, among other things, business conditions, earnings, and IDEX's financial condition. See Note 8 of the Notes to Consolidated Financial Statements.

STOCK MARKET INFORMATION
IDEX common stock was held by an estimated 7,700 shareholders at December 31, 1998, and is traded on the New York Stock Exchange and the Chicago Stock Exchange under the ticker symbol IEX.

FORM 10-K
Shareholders may obtain a copy of the Form 10-K filed with the Securities and Exchange Commission by directing a request to IDEX or through its Website at www.idexcorp.com.

ANNUAL MEETING
The Annual Meeting of IDEX Shareholders will be held on Tuesday, March 23, 1999 at 10:00 a.m. in the:

Shareholders Room of Bank of America NT&SA
231 South LaSalle Street
Chicago, Illinois 60697

[GRAPH]

QUARTERLY STOCK PRICE

		Quarter			
		First	Second	Third	Fourth
1998	High	36 3/4	38 3/4	34 11/16	30 3/8
	Low	32 3/8	33 7/8	19 1/2	22 5/8
	Close	36 3/8	34 1/2	26 9/16	24 1/2
1997	High	27	34 3/8	35 15/16	36 11/16
	Low	23 1/2	23 1/4	31 7/16	31 9/16
	Close	23 1/2	33	33 3/8	34 7/8

EXHIBIT 21

SUBSIDIARES OF IDEX CORPORATION
December 31, 1998

SUBSIDIARY	JURISDICTION OF INCORPORATION	OTHER NAME WHICH DOING BUSINESS IF ANY
BAND-IT-IDEX, INC.	DELAWARE	
BAND-IT COMPANY LTD.	UNITED KINGDOM	
BAND-IT CLAMPS (ASIA) PTE., LTD.	SINGAPORE	
BAND-IT R.S.A. (PTY) LTD.	REP. OF S. AFRICA, 51% OWNED	
CORKEN, INC.	DELAWARE	
FMI MANAGEMENT COMPANY	ILLINOIS	
FLUID MANAGEMENT, INC.	DELAWARE	
FLUID MANAGEMENT EUROPE B.V.	NETHERLANDS	
FLUID MANAGEMENT U.K. LTD.	UNITED KINGDOM	
FLUID MANAGEMENT FRANCE SARL	FRANCE	
FLUID MANAGEMENT ESPANA SLU	SPAIN	
FLUID MANAGEMENT SCANDINAVIA AB	SWEDEN	
FLUID MANAGEMENT GmbH	GERMANY	
FLUID MANAGEMENT AUSTRALIA PTY., LTD.	AUSTRALIA	
FLUID MANAGEMENT CANADA, INC.	CANADA	
FLUID MANAGEMENT SERVICOS e VENDAS LTD.	BRAZIL	
GAST MANUFACTURING, INC.	MICHIGAN	
GAST ASIA, INC.	MICHIGAN	
GAST MANUFACURING COMPANY LTD.	UNITED KINGDOM	
HALE PRODUCTS, INC.	PENNSYLVANIA	
HALE PRODUCTS EUROPE GmbH	GERMANY	
GODIVA PRODUCTS LTD.	UNITED KINGDOM	
SEITHAL LIMITED	UNITED KINGDOM	
GODIVA LIMITED	UNITED KINGDOM	
GINSWAT LTD.	HONG KONG	
HALE PRODUCTS BET. GmbH	GERMANY	
LUKAS HYDRAULIK VER. GmbH	GERMANY	
LUKAS HYDRAULIK GmbH	GERMANY	
LUBRIQUIP, INC.	DELAWARE	
KLS LUBRIQUIP, INC.	WISCONSIN	
MICROPUMP, INC.	DELAWARE	
MICROPUMP LIMITED	UNITED KINGDOM	
PULSAFEEDER, INC.	DELAWARE	
PULSAFEEDER PTE., LTD.	SINGAPORE	
KNIGHT, INC.	DELAWARE	
KNIGHT INTERNATIONAL B.V.	NETHERLANDS	
KNIGHT EQUIPMENT INTL. B.V.	NETHERLANDS	
KNIGHT U.K. LTD.	UNITED KINGDOM	
KNIGHT EQUIPMENT AUSTRALIA PTY., LTD.	AUSTRALIA	
KNIGHT EQUIPMENT (CANADA) LTD.	CANADA	
SIGNFIX HOLDINGS LIMITED	UNITED KINGDOM	
SIGNFIX LIMITED	UNITED KINGDOM	
TESPA GmbH	GERMANY	
VIKING PUMP, INC.	DELAWARE	
VIKING PUMP (EUROPE) LTD.	IRELAND	
JOHNSON PUMP (UK) LTD.	UNITED KINGDOM	
VIKING PUMP OF CANADA, INC.	ONTARIO	
VIKING PUMP LATIN AMERICA S.A. DE C.V.	MEXICO	
WARREN RUPP, INC.	DELAWARE	MARATHON PUMP COMPANY
WARREN RUPP (EUROPE) LTD.	IRELAND	
BLAGDON PUMP HOLDINGS, LTD.	UNITED KINGDOM	
BLAGDOM PUMP LTD.	UNITED KINGDOM	
IDEX FOREIGN SALES CORP.	BARBADOS	

Exhibit 24

INDEPENDENT AUDITORS' CONSENT

IDEX Corporation

We consent to the incorporation by reference in the Registration Statement of IDEX Corporation on Form S-3 (File Number 333-41627) and in the Registration Statements of IDEX Corporation on Form S-8 (File Numbers 33-47678, 33-56586, 33-67688, 333-18643) of our reports dated January 19, 1999, appearing in and incorporated by reference in this Annual Report on Form 10-K of IDEX Corporation for the year ended December 31, 1998.

DELOITTE & TOUCHE LLP

Chicago, Illinois
February 5, 1999

YEAR
DEC-31-1998
JAN-01-1998
DEC-31-1998
2721
0
88490
2484
101201
195900
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640131
640131
387285
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(479)
1060
22359
87663
33267
54396
10182
(2514)
0
62064
2.12
2.07